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China Report

AGRICULTURE

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14 JULY 1986

CHINA REPORT AGRICULTURE

CONTENTS

PEOPLE'S REPUBLIC OF CHINA

NATIONAL

New Agricultural Development Pattern Aids Ecology (XINHUA, 13 Jun 86)	1
Crop Insurance Available in 20 of 29 Areas (XINHUA, 25 Jun 86)	3
Song Jian Interviewed on 'Spark Plan' (Chen Daian; NONGCUN GONGZUO TONGXUN, No 2, 5 Jan 86)	4
Reform of Agricultural Planning System Discussed (Ji Huachu; NONGYE JINGJI WENTI, No 1, 23 Jan 86)	8
Loans by Agricultural Bank in 1985 Within Guidelines (Xiao Ruqin; NONGCUN JINRONG, No 3, 1 Feb 86)	13
Rural Technical Reforms Discussed (Tao Dinglai; NONGYE GONGCHENG, No 1, 2 Feb 86)	18
Expert Views National Water Conservancy, Control (XINHUA, 25 Jun 86)	23
Major Growth Reported in Cotton Exports (XINHUA, 9 Jun 86)	24

Supply, Marketing Cooperative Services Discussed (Yang Xiaowei; JINGJI RIBAO, 5 Dec 85)	25
Briefs	
Foreign Funds for Agriculture	29
Improved Varieties of Seeds	29
New Cotton Strain	29
Beer Production, Consumption Expansion by 1990	30
Water Conservancy 'Essential'	30
Guangxi Grain	30
More Agro-Technique Centers	31
Increase in Grain Sowing Hectarage	31
Key to Grain Production	31
New Grain Production Techniques	32
Training of Young People	32
Wholesale Market Boom Welcomed	32
Peasants in Industry, Service Trade	33
Dairy Industry	33
TRANSPROVINCIAL AFFAIRS	
Henan's Sanmenxia Project Yields Results in Many Fields (Henan Provincial Service, 1 Jun 86)	34
ANHUI	
Briefs	
Feed Industry	35
BEIJING	
Establishment of Farmers Markets in Beijing Suburbs Reported (Xin Lei; Liu Zhanmei; NONGMIN RIBAO, 8 Jan 86)	36
Serious Water Shortage During Summer Threatened (Wu Jingshu; CHINA DAILY, 19 Jun 86)	38
FUJIAN	
Governor Hu Ping Stresses Grain Production (FUJIAN RIBAO, 16 May 86)	40
Briefs	
Fruit Outputs	42
GUANGDONG	
Large Increase in Peasant Income Reported (Bingsong, Xiaoye; GUANGDONG NONGMIN BAO, 11 Dec 85)	43

	Briefs	
	Banana Output	45
HEBEI		
	Briefs	
	Feed Output	46
HUBEI		
	Hubei Holds Conference on Combating Drought (Hubei Provincial Service, 5 Jun 86)	47
HUNAN		
	Six Measures To Stabilize Pork Prices Implemented (Li Ling, Wan Weixing; HUNAN RIBAO, 18 Feb 86)	49
JIANGSU		
	Changes in Aquatic Production Described (Zhou Zhengeng; RENMIN RIBAO, 15 Feb 86)	50
JIANGXI		
	Rural Technology Market Results Reported (NONGMIN RIBAO, 18 Mar 86)	52
	Briefs	
	Fish, Cattle Raising Funds Boosted	54
LIAONING		
	Province To Build Farm Export Centers (XINHUA, 19 Jun 86)	55
NINGXIA		
	Briefs	
	Ningxia Irrigation Facilities	56
SHANDONG		
	Use of New Stock Urged To Improve Cattle Industry (Feng Desheng; NONGYEZHISHI, No 1, 5 Jan 86)	57
SHANGHAI		
	Revitalization of Tobacco Production, Sales (Sun Zhonglian; WEN HUI BAO, 15 Mar 86)	60

SHANXI

Current Plans for Grain Planting Listed (SHANXI NONGMIN, 8 Mar 86)	62
Shanxi Silkworm, Mulberry Tree Production Viewed (SHANXI NONGYE KEXUE, No 12, 20 Dec 85)	64

SICHUAN

Readjustments in Rural Production Structure Discussed (Huang Peigen, et al.; NONGYE JISHU JINGJI, No 2, Feb 86)	67
First Year Readjustment of Production Results Viewed (NONGMIN RIBAO, 13 Dec 85)	74
Rural Development, Income Increases, by Zhang Shaoguang, Wu Xiulong	74
Commentary on Rural Structural Readjustment	75
Tobacco Harvest Breaks Records (Chen Tao; NONGMIN RIBAO, 14 Dec 85)	77
Good Beef, Lamb Sales Maintained (Shen Shixin; SICHUAN RIBAO, 6 Dec 85)	78
Briefs	
New Rural Towns in Sichuan	79
Food Industry	79

XINJIANG

Briefs	
Cotton Exports Increase	80

ZHEJIANG

Aquatic Production Increases Described (Gan Guorong; ZHEJIANG RIBAO, 4 Feb 86)	81
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NATIONAL

NEW AGRICULTURAL DEVELOPMENT PATTERN AIDS ECOLOGY

OW130224 Beijing XINHUA in English 0137 CMT 13 Jun 86

[Text] Lanzhou, Jun 13 (XINHUA)--A new pattern of agricultural development which helps restore the ecological balance has attracted the attention of both the Chinese Government and scientists, local experts told XINHUA today.

With recent approval from the Ministry of Agriculture, Animal Husbandry and Fisheries, the new pattern, which gives equal stress to planting grass, raising animals and grain production will be disseminated on northwest China's loess plateau, which covers 600,000 square kilometers and has a population of 30 million.

Professor Ren Jizhou, director of the Gansu Institute of Pasture Ecology, said that the present notorious soil erosion and other disruption of the ecology in the plateau have resulted from abuse of farmland, denudation and over-reclamation of grassland over the past few centuries. Farming on the loess plateau, the cradle of Chinese civilization, dates back 7,000 years.

He put forward the program to drastically cut down grain production, develop forestry and fodder planting for water and soil conservancy, expand commodity-oriented animal husbandry and fertilize the land with animal droppings.

The professor and his colleagues started the research project for restoring the ecological balance in the loess highlands three years ago.

They set up an experimental farm covering 13.3 hectares in Gingyang County, Gansu Province. There, the grain crop area has been cut by 14 percent and more legume fodder planted. As a result, per hectare grain output jumped by 60 percent and the total output rose 37 percent, while soil erosion has been alleviated markedly.

They also offer technical services to 24 pilot households in the county. The incomes of all those peasant families have more than doubled.

As an outstanding example among the 24, Qin Shike's family of four have rotated grain crops and grass on the 0.8 hectares they contracted from collective. Grass was used as fodder for rabbits, chickens and pigs, whose droppings were used to produce methane gas as fuel and the residue was used

as manure. Now, the per hectare yield of the family's grain has been raised from 1,500 kilograms to 3,375 kilograms, while sales of animals and meat yielded 5,510 yuan last year, 61 percent of the family's total income. The per capita income of this family was 4.5 times the national average rural income in 1985.

Another advantage of the new farming pattern is reduction of the use of chemical fertilizer, thus cutting costs and reducing environmental pollution, the professor said.

He also said that the Chinese and Australian governments have signed an agreement on the joint development of the new farming pattern on the loess plateau.

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CSO: 4020/353

NATIONAL

CROP INSURANCE AVAILABLE IN 20 OF 29 AREAS

OW251804 Beijing XINHUA in English 1552 GMT 25 Jun 86

[Text] Beijing, 25 June (XINHUA) -- Crop insurance, a high-risk policy category, is now available in more than 20 of China's 29 provinces, municipalities and autonomous regions, according to a senior Chinese insurance official.

Crop insurance started to develop in the country only in 1981 to meet the needs of the rural economic reforms, and is still on a trial basis and on a small scale, Li Shixian, general manager of the domestic department of the people's insurance company of China (PICC) told a third world insurance meeting in session here today.

In 1985, the PICC received a premium of 17 million yuan from crop insurance, and paid more than 14 million yuan for claims for various losses.

The major crop insured is wheat. The company insured 90 million mu (15 mu equal to one hectare) of harvested wheat throughout the country against threshing-ground fires in 1985.

For industrial crops, the company mainly covers cotton against hail and floods. It also covers flue-cured tobacco, flax, peanuts and fruits against hail, windstorm and fire.

Forest fire insurance, which is very popular with rural farmers, has been extended to about six million mu of forest, Li said.

Crop insurance in China is voluntary, except for some individual counties where certain types of crops must be insured according to the decisions of the local authorities, he added.

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CSO: 4020/361

NATIONAL

SONG JIAN INTERVIEWED ON 'SPARK PLAN'

Beijing NONGCUN GONGZUO TONGXUN [RURAL WORK NEWSLETTER] in Chinese No 2,
5 Jan 86 pp 26-27

[Report on interview by staff reporter Chen Daian [7115 0108 1344]: "The 'Spark' of Science and Technology Can 'Start a Prairie Fire'; An Interview with Song Jian, Chairman of the State Science and Technology Commission"; 31 Dec 85, place not given]

[Text] At the beginning of 1985, the State Science and Technology Commission put forward a proposal on the "Spark Plan." Now, the party Central Committee and the State Council have already formally approved it for implementation. The various localities have expressed hearty welcome to this plan. Some say it is the "timely rain" for developing our rural enterprises; some call it "coal in a snowy winter." Why has this plan aroused such powerful response in the various localities? On the eve of New Year's Day, this reporter, with great interest in mind, paid a visit to Comrade Song Jian [1345 0256], Chairman of the State Science and Technology Commission.

Comrade Song Jian pleasantly received this reporter in his office. After an exchange of pleasantries, our conversation turned to the main theme.

[Chen Daian] "I heard that the State Science and Technology Commission has put forward a 'Spark Plan,' and the party Central Committee pays great attention to it; will you please discuss what the purpose, contents, and characteristics of this plan are as well as the point of departure for giving it such a name?"

[Song Jian] The fundamental purpose of this "Spark Plan" is to guide science and technology to serve the reinvigoration of our local economies. During the Seventh 5-Year Plan period, this plan will exploit 100 categories of complete-sets of technical equipment suitable for use by our rural enterprises and also organize large-quantity production; establish 500 technically exemplary rural enterprises and provide them with ready technological crafts, management plans and product designs as well as quality control methods; and train a large contingent of rural intellectual youths and basic-level cadres on a short-term basis each year to enable them to learn one or two advanced skills applicable in their respective regions. In 1985 and 1986, there are 14 key realms for us to exploit; these include the processing of agricultural and

sideline products, breeding and cultivation enterprises, and exploration of resources in the hilly areas and the oceans. The characteristic of this plan are to get a handle on a series of "short-term, appropriate, and quick" projects which are of exemplary and motive significance to our medium and small enterprises, especially our rural enterprises and which closely combine technology with our economy, namely, projects of technological exploitation whose cycle of technological achievements being turned into commodities is short and can adapt to the technological level of our medium and small enterprises, thus making it possible for the latter to achieve economic results rather fast, so as to raise the scientific and technological level of our medium and small enterprises, our rural enterprises, and rural construction, and thereby set up new prototypes for further developing our local economies. Today, compared to the requirements of rural enterprise in general, these projects can only be said to be sparks; but their effects can be very great. Hence we call it the "Spark Plan." Since its inception, both central and local authorities have come to regard it as a fine form for spreading science and technology to the countryside.

Rural enterprises have become a sizable force in our national economy, especially our local economies, which cannot be overlooked and an important pillar for building our modern countryside and developing our small townships which are scattered all over the country. The rise and development of our rural enterprises are profoundly changing the structure of our countryside economy and playing a major role in the development of the economy and the social life of the whole country. These rural enterprises have certain strong points which our state-run large enterprises cannot match. But during the last few years the speed of development of these rural enterprises has proved to be far too vigorous; a salient problem they encounter now is the general backwardness of their technical and production management level and their rather low labor productivity. Under such circumstances, if only general encouragement or limitations were to be meted out to them, damage would inevitably result. Therefore, we must provide them with concrete guidance and support from the standpoint of our economic policy, especially of science and technology, so as to make it possible for them to develop forward in an even healthier manner. The "Spark Plan" was put forward precisely to solve the difficulties encountered by our rural enterprises in science and technology. This "Spark Plan" takes as its key points our breeding and cultivation enterprises, the processing of our agricultural and sideline products, and the exploitation of our hilly and coastal areas as well as the exploitation of construction materials for farm use; it is bound to greatly improve the level of our agricultural production and our labor productivity, and thereby provide our market with even more cheap and fine agricultural and sideline products and their processed products. This will be beneficial to stabilizing the prices and constitute an effective support to our entire reform program. In the meantime, the implementation of this "Spark Plan" is also of profound importance to the advancement of our rural enterprises and local industries as well as the reinvigoration of our local economies. For this reason, we think such implementation of this "Spark Plan" is going to be a very hopeful path.

[Chen Daian] "What are the key areas of the "Spark Plan" for near-term exploitation?"

[Song Jian] During the next 2 years, efforts are being made to arrange the following key areas of exploitation: 1) While continuing to grasp closely the tackling of scientific and technological problems in our cultivation enterprises, we shall at the same time energetically spread the factory-like production techniques for the breeding of our domestic fowl, water fowl, and other water species and for our animal husbandry enterprises in order to increase their production, lower their costs, and improve their product quality and labor productivity. 2) Organize our scientific and technological forces to exploit processing techniques and turnkey equipment for turning our agricultural production into factory-like operations. At the same time, organize research institutes and institutions of higher learning in order to digest, reproduce, and improve the equipment we have imported and establish exemplary small factories and training centers to facilitate the spreading of technologies and train talents for the countryside. 3) Organize technological forces to serve the improvement of our technical level in rural housing, market and township construction. Today, the amount of rural housing construction is considerable; however, there exists in this generally the question of such construction being based on old designs, occupying and destroying considerable land, following rather backward lighting methods and having backward hygiene equipment, and also the question of market and township construction lacking blueprints and plans. The "Spark Plan" intends to organize research and design institutions and enterprises to provide new designs, new types of construction materials, new prefabricated construction parts and small-size construction equipment for improving our rural housing conditions and saving our arable land. 4) Spread new techniques in our textiles, improve the quality of our printing and dyeing products, increasing the varieties of our products, actively develop cloth products for daily life and decoration, expand their export capacities, and organize and direct the science and technology departments to apply such new techniques in the production of our consumptive supplies. 5. Train and develop leaders for our modern rural enterprises. There are as many as 10 million middle school graduates in our countryside today; they have not undergone any professional, technical training, they lack production skills, and they are experiencing a burning anxiety. In the face of these conditions, we plan to unite with the Ministry of Agriculture, Animal Husbandry and Fishery, the State Education Commission, and the Science and Technology Association to jointly run short-term training classes in the fashion of the "Military and Political University for Resisting Japan" so as to provide them with technical and economic policy training and foster a large contingent of scientific and technological leaders and basic-level cadres for developing our countryside economy. If calculated according to the average of each county training 100 persons each year, there should be as many as 200,000 throughout the country and 1 million within 5 years cumulatively. This contingent is bound to lead our hundreds and thousands of peasants to march in transition toward a modern countryside economy.

[Chen Daian] "What are the concrete approaches to implementing our 'Spark Plan'?"

[Song Jian] In implementing this "Spark Plan" we shall first of all select certain priority projects in the 14 areas, give importance to key ones thereof, and let the State Science and Technology Commission and the various other central ministries and commissions direct the various provinces, autonomous regions and direct municipalities to implement it in a planned and organized manner. In every project, we shall do our best to have the scientific research departments, educational departments, production units and training and promotion organs united with one another so as to assure the technical suitability, advancement and exemplary nature of our key projects. Comrade Song Jian especially pointed out, the funds required in implementing this plan will in general be raised in the form of matched investments by all central, local and enterprise concerns. Because these selected exemplary enterprises are mature in their technical development, low in risks, and fast in obtaining returns, it is expected that most of them should have the ability to repay such investments; therefore, repayment of the part of investments allocated by the central authorities is required after profits are earned. Relevant preference and care will be extended to old, newly developed, border and poor areas.

In May 1985, leading comrades of the State Council approved the proposal of the Science and Technology Commission on the "Spark Plan." After this past half year and more, we have discussed with the governments of various localities and concerned departments a series of questions concerning the implementation of this "Spark Plan" and achieved consistent understanding thereof. On the basis of listening to the views of the science and technology commissions of these various localities, we have in October 1985 already made concrete arrangements for several tens of projects. Concrete plans of implementation for 1986 and 1987 are being formulated.

Thus our interview came to a close. This "Spark Plan" had this reporter stimulated; he could not help feeling ebbs and flows in his thought and his imagination, as if he had begun to see that bright and colorful future: relying on the precious sparks provided by this "Spark Plan," we are bound to see them engender the momentum of a prairie fire in our entire countryside, propel our township and town enterprises and our entire rural economy to develop even more steadily and healthily forward. The day of reinvigoration of our rural economy is bound to arrive.

9255
CSO: 4007/307

14 July 1986

NATIONAL

REFORM OF AGRICULTURAL PLANNING SYSTEM DISCUSSED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese
No 1, 23 Jan 86 pp 49-50

[Article by Ji Huachu [1323 5478 0443] of the Planning Bureau, Ministry of Agriculture, Animal Husbandry and Fishery: "Some Views on Reforming Our Agricultural Planning System"]

[Text] Today, our countryside has already entered the stage of developing a planned commodity economy. Under such a new situation, the matter of reforming our agricultural planning system to have it effectively guide our agricultural commodity economy and promote the overall proportionate development of our national economy has already been put on our agenda. Below, I would like to discuss some of my views on this matter.

1. Guiding Ideology for Reforming Our Agricultural Planning System

To reform our agricultural planning system, we must take as our guiding ideology the CPC Central Committee's "Decision on Restructuring Our Economic System." First of all, a socialist planning system should be one which combines uniformity with flexibility. Speaking in the manner of seeking truth from facts, in a rather long historical period our national economic plan, generally speaking, can only be merely roughly defined and flexible and we can only succeed through the comprehensive balancing and adjustment by economic means of such a plan in achieving control and controlling well its major aspects, and opening up and opening up flexibly its minor aspects, and thereby assuring a fairly appropriate ratio between the relatively more important proportions and the the generally proportionate and coordinated development of our national economy. Secondly, to reform our planning system we must break the concept of putting planned economy in opposition to commodity economy and clearly understand that our socialist planned economy must consciously apply the law of value, fully demonstrate the characteristics of a commodity economy, and at the same time correspondingly reform its approach to planning work and fully emphasize the scientific nature of its economic information and economic forecast as well as its improvement plan.

2. Content and Objectives of Agricultural Planning

The key to agricultural guidance planning is to guide the development of our rural commodity economy; therefore, we must change our approach of the past in determining in advance the production target for certain agricultural and sideline products and then planning the whole structure of our agricultural production. We must follow the objective requirements of our economic development, proceed from the actual situation of the whole country and the concrete realities of different regions, begin with seriously studying the requirements of our society, consider possible conditions for developing our production in the manner of seeking truth from facts, arrange our production structure and production targets as much as possible according to our market needs and consumption structure, and correspondingly make key arrangements for our regional deployment and investment work, and thereby do a good job in our overall planning.

While formulating the overall plan for our agriculture, we must at the same time formulate regional plans for our agriculture, differentiating the various situations and requirements and formulating plans for such regional exploitation, plans for regional or individual drainage management reform, plans for commodity production bases, etc. We must formulate plans for our agricultural specialities and formulate respectively, under the guidance of the overall plan, the developmental plans for our cultivation enterprises, forestry, animal husbandry, aquatic products industries, rural enterprises and trades of the like. These specialty plans must both reflect the characteristics and requirements of the trades themselves respectively and dovetail with the overall plan and plans for related trades. We must also formulate plans for our agricultural themes. That is, during different historical periods, and according to different key tasks proposed by the party and government, we must formulate different theme plans. Plans for our agricultural themes are a complement to, and concrete expression of, our overall plan; they are beneficial to guiding the strengthening of our weak links, giving prominence to strategic points in our work, concentrating our manpower, material and financial resources on given theme projects, and realizing expected targets of planning within predetermined time limits.

Targets of agricultural plans: viewed from the standpoint of macroscopic guidance, our targets of agricultural plans should be roughly defined only and not detailed. We must grasp the main contents relating to our national economy and the people's livelihood and seek to control well the major aspects; apart from the main targets that must be dovetailed with one another above and below, agriculture, animal husbandry and fishery departments at the lower level may, according to the actual conditions of their own respective regions, concretely determine the specific targets for their own regions so as to facilitate using the regions' strong points and do a good job in microscopic regulation. We think in the beginning it is proper for us to list in the state agricultural plan only the overall quantity targets and agricultural output value of foodgrains, cotton, oil products, sugar products, red and yellow hemp, mulberry trees, silkworm cocoons, tea, fruits, vegetables, meats, eggs, cow and goat milk, aquatic products, rubber and items of the like and comprehensive targets such as those of the per capita average income level of the peasants. While simplifying quantitative targets, we must

at the same time consider adding certain targets that reflect quality requirements, such as the ratio of lean-meat type of pigs and the proportion of lean meats, the planting proportion for fine-quality rice, sugar products and the ratio of their sugar content, etc., as well as targets that reflect economic results.

3. Procedures and Methods for Formulating Agricultural Plans

Agriculture, animal husbandry and fishery departments at all levels must have their own respective points of emphasis; the central, provincial and prefectural levels must take long-term planning as their main concern and stress macroscopic guidance. Basic-level units below the county should take annual planning as their main concern and pay attention to microscopic regulation. Annual planning must, under the guidance of intermediate and long-term plans, be concretely studied and formulated in keeping with conditions of implementation of the preceding year.

The procedure of formulating an agricultural plan should proceed from the subordinate to the superior level, and from the superior to the subordinate level, with both the superior and the subordinate level united together while relying primarily on the subordinate level. We should thus change the old approach of the past in having the superior level fix the target and the subordinate level simply follow suit, which was an approach that departed from reality. Departments at the superior level should strategically do a good job in economic forecasting to provide reliable information for the formulation of plans by the subordinate level. Departments at the subordinate level must proceed from reality, put forward a program on plan targets according to what is required and what is possible, which, after being submitted upward level by level, and comprehensively reconciled level by level, is thus negotiated and adjusted also level by level and then ultimately determined. Key points in management for agricultural plans at the provincial level and above must be shifted toward macroscopic guidance and strategic study, and toward the study and readjustment of our economic policy in agriculture, consciously use economic levers, do a good job in economic information gathering and forecasting, adopt diverse economic means to guide agricultural management activities at the basic levels so as to have them conform in general to the requirements of the state plan.

Agricultural planning should be based on the characteristics of agricultural production and adapt to the requirements of farming seasons and have annual plans formulated in advance. Generally, efforts should be made in September of the preceding year to put forward the proposed guidance for autumn sowing and the attendant economic policy and convey them to the basic levels so as to enable the peasants to have some relevant idea and to have the planning really play the role of guiding production.

4. Conditions for Implementing Agricultural Plans

An agricultural plan, as a plan of guidance, is beneficial to mobilizing the enthusiasm in production on the part of the locality and vast ranks of the masses and to conscious application of the law of value and arrangement of production according to market requirements; these are the beneficial aspects.

But at the same time it also presents new problems for the management of the plan by the state. In order to assure the implementation of the plan, the state, apart from formulating rational principles and policies and carrying out necessary administrative intervention, mainly wishes to master and apply economic means and rely on its price policy and economic contracts to assure the realization of the plan.

Concerning price policy. To require that prices basically conform to the law of value and the law of change in supply and demand and formulate a fairly reasonable price policy, it is necessary to follow the status of various agricultural products in the national economy and their production costs in order to apply prices for them respectively; by following different conditions, it is possible to apply the state's uniform price, a floating price, and prices based on negotiated purchases or sales; by following the differing situations in space and time, it is possible to apply seasonally differentiated prices, and regionally differentiated prices; by following the difference in quality and variety, too, it is possible to apply quality differential prices and variety differential prices. We must exercise control by levels, delegating the pricing authority on certain small quantities of agricultural and sideline products and locally well-known, superior and special products down to local levels so as to facilitate the development of their production.

We must continue to perfect our economic contracts, expand their contents, and gradually perfect the existing unitary purchasing ones into economic ones really consistent in name and in substance. The contents of these contracts should include the supply of capital and means of production, the requirements of product quality, prices and quantities of purchase, etc., in order to turn them into contracts by which the two signatories mutually shoulder economic responsibilities and which have the force of law.

Meanwhile, we should also use the role of credit loans, tax revenues and economic levers of the like so as to promote the realization of our agricultural plans.

5. Tasks That Should Be Well Done in Reforming Our Agricultural Planning System

A. Adopt practical, effective measures to consolidate the planning organs, strengthen the planning work, equip necessary forces, stabilize business personnel, and improve the quality of the cadres so as to turn these planning organs into the staff headquarters of the departments of agricultural leadership at all levels for macroscopic decisionmaking, the formulation and development of strategies, and the proportionate development of their production.

B. Strengthen work on gathering economic information, conducting economic analyses, making economic forecasting, and effecting economic coordination in order to provide a scientific basis for the formulation of agricultural plans. Agricultural planning departments at all levels must strengthen their vertical as well as horizontal links, make their business communications close, proceed from the requirements of the planning work, master production and marketing

information, study and analyze the requirement of the varieties, quantities and quality of agricultural and sideline products by the domestic and international market as well as the tendency of their development and change and the effects of such change on production, do a good job in systematic economic forecasting, make correct analyses, adjust plan targets, and make our agricultural planning really conform to actuality.

C. Further strengthen our work on agricultural statistics, improve the quality and efficiency of our statistical feedback, and at the same time reinforce our basic investigation work. We must insist on regularly and systematically carrying out the surveying and study of our agricultural product costs and prices, apply such statistical and survey data to the launching of multifarious agricultural and economic analyses, in order to provide a reliable basis for agricultural planning.

D. Fully utilize the results of regional division in agriculture so as to have the uniformity of planning unite with the principle of adaptation to local conditions; give full consideration in our planning work to the effects of natural conditions of a given region on agricultural production, and thereby continue to improve the scientific nature of our agricultural planning.

9255

CSO: 4007/308

NATIONAL

LOANS BY AGRICULTURAL BANK IN 1985 WITHIN GUIDELINES

Beijing NONGCUN JINRONG [RURAL FINANCE] in Chinese No 3, 1 Feb 86 pp 7-8

[Article by Xiao Ruqin [5135 3067 0530], executive editor, Ministry of Central Planning: "Scope of Loans by the Agricultural Bank Basically Within Planning in 1985"]

[Text] In 1985, under the leadership of local governments, all levels of the Agricultural Bank conscientiously implemented the directives of the State Council on controlling the scope of loans and the amount of money put into circulation, fully motivating the enthusiasm of the broad mass of cadres and workers, and did a great deal of arduous work to fulfill the tasks placed upon the bank by the party and the state.

I

First, the overall scope of loans was controlled. In 1985, the state approved an increase of 14.2 billion yuan in the overall scope of loans and planning for the Agricultural Bank. When added to temporary loans approved on an individual basis for emergencies, the total loan figure amounted to 14,748,000,000 yuan. With all levels of the bank holding to planned allocations and strict adherence to planned outlays for rural loans, the overall scope of loans was effectively controlled, allocation plans were realized, and the demands of the state for control of the scope of loans were met.

Second, directive planning management was implemented for township and town enterprise loans. The planned increase in such loans for 1985 was 2,024,000,000 yuan. All areas were making development of township and town enterprise the centerpiece to redoubling agricultural output, and the development thrust for these enterprises was so strong that by the end of April the bank has already exceeded planning by 890 million yuan. In response, the Central Bank forwarded a telegram from the State Council on controlling loans to these enterprises. It also decided to institute directive planning management. All levels of the bank adhered strictly to the decisions of the State Council and the Central Bank. At the same time, along with collecting on a few loans in excess of planning according to payment schedules, they responded by adopting measures to control loans for production and equipment—primarily the issuance of circulating fund

loans and insisting on specific levels of contribution by the borrower. These measures held loans for township and town enterprises within the plan and maintained appropriate growth. At the end of the year, the increase in loans for township and town enterprises amounted to 2,015,000,000, comprising 99.6 percent of planning.

Third, the scope of loans for technical transformation was strictly controlled. In 1985, the state approved issuance of 710 million yuan for this purpose by the bank as part of loans for basic construction. Approval limits for all banks were centralized. Strict approval procedures were followed. Supervision was carried out depending on the project, and payments were disbursed based on the progress and the quality of construction. At year's end, disbursements for technical transformation loans had increased by 706 million yuan over the previous year and kept completely within planning.

Fourth, supervision was implemented based on deadlines for farm loans. Management of loans for the purchase of farm and sideline products was based on the particular project. For commerce, "savings and loan accounts were separated" in management. This played an important role in controlling the scope of loans.

In addition, the bank in all locations strengthened the implementation of credit and loan planning, and relayed the control situation in a speedy fashion. All facets of rural economic activity and implementation of credit and loan planning were monitored through involvement in substantive investigative studies, and weekly and monthly reports, which discovered the causes for fluctuations in savings and loans; and when problems were discovered, timely measures were adopted. This proved to be "eyes that see 1,000 li" and "ears that follow the wind" in controlling the scope of loans.

II

The question of how to revitalize credit and loan funds under conditions of macroeconomic-level controls was a tough one and one which requires attention. The bank as a whole implemented the following measures with outstanding success:

1. It vigorously marshaled savings and established a system for funding from its own resources. This was a huge breakthrough in the work of rural finance in 1985. For a long time, the Agricultural Bank has relied on credit cooperatives to transfer deposits and ignored its own role in securing deposits. After reforms were done in management of the credit cooperative system, all levels of the bank became more and more aware of the importance of marshaling funds and of the importance of setting up a system for funding from its own resources. They switched over from the practice of focusing on loan issuance to the detriment of deposits to one which stressed the latter. They strengthened leadership, set up institutions, filled the personnel ranks, increased the types of deposits. In addition, they took command over juggling of interest rates and pinpointing the proper time for purchase of farm and sideline products.

They conducted a media blitz and tried versatile measures to improve services. As a result, deposits went up--and rural deposits most extensively--to record-high levels. As of the end of 1985, deposits of all kinds were up 19.56 billion yuan from the previous year, which was 138.5 percent of planning targets. Of this, rural deposits were up 5,486,000,000, which was 219 percent of planning. This opened up a new situation for deposits.

2. A system of reserve funds for deposits was strictly implemented by credit cooperatives, to ensure that the transfer of deposits (including reserve funds) would continue to go up. Since 1985, all levels of the bank have adopted a number of measures to strictly implement a system in which reserve funds for deposits in credit cooperatives amount to 30 percent, so that the trend for the transfer of deposits continues to rise. At the end of 1985, transfer of deposits by credit cooperatives increased 18,629,000,000 yuan from the previous year. Of this, reserve funds for deposits amounted to 10,497,000,000 yuan. Consequently, there has been some alleviation of the tight money situation for the bank for rural credit and loans.

3. Overdue loan collections have been affirmatively done. This has helped accelerate the circulation of funds. The major trend in rural finance in 1985 was toward speedier fund circulation, efficiency, and alleviation of the tight credit situation. All levels of the bank did a great deal of meticulous work toward timely repayment of overdue loans. The "one prize for three repayments" policy was inaugurated, which motivated bank workers, speeded up collections, and improved rate of return.

4. Management and adjustment of funds within the system was strengthened so as to make the most of funds. All levels of the bank strengthened their investigative work in 1985 in accordance with the requirement of reforming money management systems. They adjusted to local conditions and took advantage of regional, time, and space differentials to make adjustments and readjustments within the system, expand lateral flow of funds, and improve utilization efficiency for the funds. Based upon incomplete statistics, the central office alone made 799 adjustments for a total of 32.44 billion yuan. There was an even greater flurry in branch offices and at the grassroots level. Under conditions where a crunch between supply and demand of funds was endemic, this played a tremendous role in supporting agricultural development.

III

The year 1985 was the last in the Sixth 5-Year Plan as well as the first year in the management of credit and loan funds. All banks explored control and revitalization techniques. At the same time, they conscientiously implemented the spirit of Central Committee Document No 1 to spur the countryside to fulfill and surpass the various economic directives set forth in planning and establish a foundation for the Seventh 5-Year Plan. New steps were taken to maintain farm production, readjust rural production structures, and develop township and town enterprise and farm and sideline product purchases, with positive results.

1. They implemented the policy of "absolutely no yield on grain production and affirmative development of diversified operations." They supported the countryside in its fight against severe natural disasters to attain a bumper harvest. All levels of the bank found the funds to help the villages buy improved seeds, fertilizers, and all types of farm equipment, even under tight money conditions, so that they could overcome these catastrophes and not lose hold on farm production. They promoted growth in production of grain, cotton, and oils and came forth with a bumper farm harvest.

2. Readjustment of the structure of rural production was supported to bring some sense to farming, forestry, livestock, sidelines, fisheries, and industry. First, they supported development of feed, foodstuff, and farm sideline processing industries in the major grain and cotton regions, reverting from a situation in which they were just selling raw materials. This brought about a manifold increase in farm product prices, a lively market, and increased income. Second, they supported exploitation and utilization of rural natural resources, made arrangements for excess labor, and turned resource advantages into commodity production advantages. This promoted all facets of economic development. Third, they supported rural development of animal husbandry, fisheries, and all kinds of breeding, and increased the proportions of each of these sectors. Fourth, they supported the countryside in setting up service systems to provide technical assistance, improved strains, transportation, manufacturing, construction, and food and beverage services, which led to development in all sectors.

3. They supported healthy development of township and town enterprises and brought together funds for agricultural modernization. Starting from investigative work and systematic arrangements, all levels of the Agricultural Bank strengthened their support of the processing of feed, foodstuffs, sideline products, small-scale energy and hydropower, construction materials, and township and town enterprises which bring in lots of cash and have good economic returns. Production was up, basic construction down. Leverage was up, and uniformity down. One group received support, another did not, and another was controlled. Township and town enterprise was brought within the correct and appropriate parameters of development and a large sum of cash was accumulated for farm modernization.

4. Support for purchase of firm sideline products and full-scale completion of state procurement plans. State procurements of farm sideline products in 1985 required between 11.5 and 13 billion yuan. Moreover, with the lag in the seasons, procurements and the funds necessary for them came together, which put a great deal of pressure on the Agricultural Bank. In order to support the state in getting farm sideline products from the countryside into storage according to plan and prevent the farmers from suffering economic losses, all levels of the bank not only went far and wide to accumulate capital and juggle funds, they also helped the commercial procurement departments to reach their fixed procurement quotas, become involved in the periods and amounts of funding at each procurement station, followed procurement, and followed the supply and demand for funds. They both assured that there would be requisite funds for procurement within

planning, as well as affirmative support for procurement outside of planning. As of the end of December, they had assisted the state in the procurement of 62.41 million dan of cotton, over 110 billion jin of grain, and 4 billion jin of oil, so that state procurement plans were fundamentally achieved.

Finally, agricultural banks throughout the nation were energetic in both macroeconomic controls and microeconomic revitalization, with outstanding results. This was the fruit of the arduous efforts of comrades all across the rural financial front. Although the course over 1985 has been a difficult one, the even more glorious and more imposing tasks of 1986 are now appearing before our eyes. We must conscientiously review the experiences and lessons of 1985 and take even more forthright steps in the new year to fulfill the new tasks placed upon us by the Politburo and the State Council and come forth with even greater contributions.

12303/9190
CSO: 4007/374

NATIONAL

RURAL TECHNICAL REFORMS DISCUSSED

Beijing NONGYE GONGCHENG [AGRICULTURAL ENGINEERING] in Chinese No 1, 2 Feb 86 pp 3-4

[Article by Tao Dinglai [7118 7844 0171] of the China Agricultural Engineering Research and Design Institute: "Welcome the New Situation in Rural Technical Reform"]

[Text] Led by the Marxist line since the 3d Plenum of the 11th CPC Central Committee and following the arduous effort of the entire party and people of every nationality in the entire country, we have opened up a new era in which economic development is thriving more than at any time since the founding of the country; the face of the country's economy has undergone enormous and profound changes. This kind of change began with the reforms carried out in China's countryside. Since 1981, Chinese agriculture has progressed at the high rate of 10 percent average annual growth and the output of various agricultural products and by-products has greatly increased, completely turning around the pre-1980 need to import large quantities of grain, cotton, edible oil, and other principal agricultural products; surpluses have been achieved in addition to self-sufficiency. The overall upsurge in agriculture has been of extreme importance in guaranteeing and propelling China's economic and social development.

In addition to the decisive role of the party's policy of enriching the people, the great achievements of Chinese agriculture would have been impossible without rural technical reform.

Unprecedented, Enormous Changes in Rural Technical Reform

We recall that in the first stage of implementation of the production responsibility system, households did the contracting, so that farmland was divided into very small sections, thus creating many difficulties for farmland irrigation and agricultural mechanization. Many comrades had very serious concerns about how to carry out the technical reform of agriculture. Some people even wondered whether Chinese villages would return to the previous style of small agricultural production. Within a short time, facts proved that this really was not the situation. Following the gradual perfection of the output-related contract responsibility system, there has been overall continued growth of agricultural production; the peasants

income has risen quickly; the rural economy has entered onto the track of overall growth in agriculture, forestry, animal husbandry, sideline production, and aquaculture, and comprehensive management of agriculture, industry, commerce, and transport; and the pace of rural technical reform is increasingly faster. Guided by the party's policies of enriching the people, the great numbers of peasants, with the right of self-management, are thirsting after science and technology, using every method to buy advanced chemical fertilizers, farm chemicals, agricultural machinery, plastic covering, and other production materials. The speed of growth and the wide range of businesses would have been unimaginable in the past. We will here only use the example of agricultural machinery and its growth to see the status of technical reform.

I. In Terms of the Output of Several Major Agricultural Implements: In 1982, 274,050 small tractors were actually made, 45 percent more than the previous year; 1983 was 72 percent more than 1982, and 1984 was 39 percent higher than 1983. In 1982, internal combustion engines with capacity of 22.42 million horsepower were actually made, 12.4 percent more than the previous year; 1983 was 25 percent higher than 1982, and 1984 was 31 percent higher than 1983. In 1982, 673,708 small agricultural pumps were actually made, 39 percent more than the previous year; 1983 was 24 percent more than 1982, and 1984 was 20 percent more than 1983. It is worth noting that sales of large agricultural implements, which were difficult to sell for a time during the first stage of implementing the production responsibility system, started going back up in 1984. The output of large and medium tractors and combine harvesters went up 9 percent from 1983 to 1984.

The increase in the output of agricultural implements reflects the needs of peasants. Based on 1984 statistics, the total power of various agricultural implements currently used in the countryside is 265 million horsepower, whereas in 1978 it was 160 million horsepower, an increase of 105 million horsepower over 6 years; the power used in these 6 years was more than 60 percent of the total of all power used in the 20 years before 1984.

II. Agricultural Mechanization at This Time Has the Following Characteristics:

1. These newly added machines were all bought with the peasants' own money. Besides the newly added ones, many machines which formerly belonged to the collective have been turned over to peasants. None of these required state investment.
2. Because the machines are bought by the peasants themselves, we avoid the blind commands of willful senior officials, the machine can be adapted to production needs, and at the same time match the purchasing power of the peasants.
3. The range of machine use has grown. Previous mechanization was primarily in processing, irrigation, and cultivation. In the past few years, the restriction on using tractors for transport has been lifted,

rural mechanized transport has greatly expanded, and the freight volume carried by various large and small tractors is roughly half of the total rural freight volume. This has promoted agricultural production and made the peasants' lives easier while also making a contribution to the growth of the local community economy.

4. The economic results of engaging in agriculture have improved considerably. An increase in output without an increase in income had long been a problem in China's agricultural mechanization. Now the agricultural machinery is bought by the peasants themselves, who, of course, are very particular about economic results and will not want uneconomic machinery. Economic surveys of rural households show that the economic results for rural households producing with agricultural machinery are much higher than those of households without machinery.

5. A variety of different agricultural machinery service organizations have sprung up in a number of areas; some are collectively run and others are individually run. They use agricultural machinery to serve households without machinery, or they use larger machines, which have higher prices and more efficiency but are not appropriate for purchase by individual rural households, to serve rural households which only have small machines. This allows use of complete sets of machinery and also avoids duplication in purchases.

6. There have appeared a variety of different cooperatively run organizations which are based on households. These cooperative organizations can help peasants solve the problems encountered in running their own machinery and improve the economic results of agricultural mechanization, because of this they have powerful vitality.

The above was only realized when peasants had the right of individual management in agricultural production and dealing with agricultural machinery. The initiative of peasants played the dominant role in the growth of agricultural mechanization. Therefore, the new situation in rural technical reform is a constituent element of the excellent situation in all of agriculture. This situation is nationwide, from Heilongjiang in the north to Guangdong in the south, from the economically developed area of Jiangsu to relatively backward Gansu; in the past few years there has always been continued, stable, and healthy growth. At present, this situation has just gotten going and in the future it will bear even richer fruit because we have already integrated agricultural mechanization and the peasants' attainment of prosperity, so that each promotes the other, forming a benevolent cycle; once it has started, this irresistible force will go forward full steam.

III. In This New Situation, Some Problems and Difficulties Still Remain

The first problem is that the state lacks the ability to provide timely organization and guidance of the spontaneous initiative of peasants; for example, the amount of agricultural machinery has increased and the number of tractors engaged in transport has gone up, but the number engaged in

field cultivation has generally gone down, so that mechanization cannot play its role in increasing agricultural production. Another example, in order to assure irrigation, every household bought a water pump and diesel engine for its personal use, but the well has only one opening, so that we see one well equipped with many mechanized pumps; this is a waste of machinery as well as a waste of the time used in dismantling and installing machinery. The second problem is that, following the growth of the rural economy and the restructuring of production, there has been an increase in the number of new industries in the countryside, but the variety, quality, and supply of necessary machinery and equipment cannot satisfy the demand. If the masses are unable to buy the things they want, their initiative for developing production will be dampened. The third problem is that the supply of materials, such as petroleum products and spare parts necessary for developing agricultural mechanization, has lagged behind, so that the use of agricultural machinery cannot be relied upon. The fourth problem is the lack of relevant regulations encouraging agricultural mechanization; for example, there still are not clear policy regulations on a preferential price for diesel oil used in agriculture, the tax and fee for tractors driven on roads, subsidized prices for farm machinery, salary and benefits for machinery service technical personnel, and so on. All of these problems, plus a few others, need to be solved through the concerted effort of concerned departments in the government and concerned elements of society. Otherwise, we will not be able to meet the needs of current conditions and our cause will be harmed.

The Great Number of Villages Do Not Merely Need Agricultural Machinery, They Also Need Many Categories of Engineering Technology

Following the growth of the rural economy and the improvement in the peasants' production and lives, villages do not merely need agricultural machinery, they also need many categories of engineering technology. The rise of the breeding industry requires the establishment of hog, chicken, and beef farms on various scales, along with feed, slaughter, and cold-storage plants that are part of the same system. There is a vast array of processed agricultural products and byproducts, all on different scales, but they all need a certain amount of factory space and machinery and equipment. Crop production, animal breeding, and processing all need certain transport facilities before they can develop. The growth of these industries and other township and town enterprises will change rural China's former longstanding focus on crop production; new villages and medium and small towns will gradually be built up. The growth of rural industry in turn will definitely demand further management of farmland, improved resistance to natural disasters, improved level of cultivation, guarantees of stable and high yields, as well as an improved degree of mechanization of farm work, releasing even more manpower that can be shifted to rural industry. This process of mutual linkage and mutual promotion of crop production and rural industry has already been proven by the experience of many of China's economically advanced areas. It is both a road to prosperity for the countryside and a way for China to realize agricultural modernization. For most of China's villages, the current fine situation is just the start of this road, and a great future lies before us.

We are speaking here only of one aspect of rural production development; sometimes the improvement of the peasants' lives is even more important. The fact is that when peasants have money, they often think first of improving their housing conditions. Building new houses and new villages has been going on for some time in many places. New village and town plans, new housing designs, new building materials, and improved rural sanitary conditions, water supply, heating, prevention of environmental pollution, and other problems have all become part of the agenda and require solutions from us.

Therefore, rural technical reform requires not merely agricultural mechanization, but rather more thorough engineering technology; in addition to agricultural machinery projects, this include field management projects, agricultural building projects, rural electrification, environmental sanitation projects, projects based on agricultural energy sources, livestock- and poultry-rearing projects, projects for processing feed, food and other agricultural materials, etc.

Strive To Develop the Fine Situation

In the engineering technology discussed above, there are many areas in which we already have a fine foundation and a store of scientific knowledge which can immediately be provided for use in production; others are still a blank or are just starting to get going, and these will need the concerted and redoubled efforts of many comrades from different areas of science and different specialties before they can meet the needs of the current situation. Recently, the state decided to change Beijing Agricultural Mechanization College into Beijing Agricultural Engineering University, and to establish an Agricultural Engineering College at Nanjing Agricultural University; at the same time, the agricultural mechanization departments at Northeast Agricultural College, Shenyang Agricultural College, and other agricultural colleges and universities are following this trend and becoming departments of agricultural engineering. Concerned departments have organized discussions on the questions of setting up specialties in the field of agricultural engineering in colleges and universities and have made appropriate decisions. We celebrate the major reforms made by the state in education, which prepare high-level technical personnel for the technical reform of China's countryside.

In Comrade Deng Xiaoping's talk to the CPC National Congress, he stated: "The almost 7 years since the 3d Plenum of the 11th CPC Central Committee have been one of the finest and most crucial periods since the founding of the country..." In regard to the condition of rural technical reform, Comrade Xiaoping's words are in full accord with our reality. The present excellent situation has been won only after many years of searching and passing over circuitous paths. It was far from easy to arrive at the current situation. We should earnestly perform every aspect of the urgently needed work, enthusiastically support the initiative of the masses in carrying out technical reform, develop this situation, and make a contribution to the victorious completion of the Seventh 5-Year Plan for the Chinese national economy and social development.

NATIONAL

EXPERT VIEWS NATIONAL WATER CONSERVANCY, CONTROL

OW251806 Beijing XINHUA in English 1559 GMT 25 Jun 86

[Text] Beijing, 25 June (XINHUA) -- China is still facing the threat of floods across the country and severe shortage of water resources in the north, Yan Kai, a noted water conservancy expert warned today.

Speaking at the on-going third congress of the Chinese Association for Science and Technology, the 73-year-old professor called on the whole nation to pay greater attention to the water conservancy problem and pool the wisdom of the scientists to solve it.

Yan said that a total of 89 million yuan was invested in the construction of water conservancy projects throughout the country over the past 30 years, however, the country has not basically controlled floods and droughts.

Of China's seven major rivers, the Yellow River, China's second- longest brings on a specially large flood every century; the Haihe River in north China, every 50 years; the Huaihe River in east China, every 40 years; the Songhua River in northeast China, every 20 to 40 years; and the Yangtze River, the largest of its kind in China, every 10 to 20 years.

The professor stressed, "as China's major political, economic and cultural areas are mainly located in the middle and lower reaches of these rivers, it is important to work out urgent measures to control large floods while continuing to build and consolidate anti-flood projects."

The measures include food forecasts and control, and social welfare in the flooded areas.

Yan Kai indicated that China has an estimated 2700 billion cubic meters of water resources, ranking sixth in the world. But the uneven distribution of the water resources causes northern China to be deficient in water.

The professor suggested making comprehensive use of water resources in northern China, transferring water from rivers in the south to the north and developing dry-field crops.

NATIONAL

MAJOR GROWTH REPORTED IN COTTON EXPORTS

OW091425 Beijing XINHUA in English 1411 GMT 9 Jun 86

[Text] Beijing, Jun 9 (XINHUA)--The correct economic policy in the rural areas has converted China from a cotton importer into an exporter in three years.

China exported 350,000 tons of cotton in 1985 and this year will see a big increase, according to a national meeting that opened here today. That will probably make the country the third-largest cotton exporter in the world after the United States and the Soviet Union.

Cotton was shipped to over 30 countries and regions in the first five months of this year, Vice-Minister of Commerce Pan Yao told XINHUA today.

"We are now entering the stage of consolidating and expanding cotton exports," he said.

China began to export cotton in 1983. Before that year, the country had to depend on imports in order to meet the needs of the one billion consumers. In 1980, 900,000 tons of cotton were imported, registering a record high.

Even during the making of the Sixth Five-Year Plan (1981-1985), the authorities expected an import of 550,000 to 700,000 tons for 1985.

But to their surprise, the cotton harvests were bumper ones for five years in a row, thanks to the new economic policies in the rural areas initiated by the government in 1979. In 1984, the cotton output reached 6.25 million tons--840,000 tons more than the combined total of the United States and the Soviet Union.

Statistics showed that in 1983, China exported 68,000 tons of cotton. The figure rose to 200,000 tons in 1984.

"We never expected that we could change from being a cotton importer into an exporter in such a short span," said Pan Yao.

But specialists pointed out that as China has a large area suitable for cotton planting and has centuries-long experience in the work, it is possible to spur the cotton production by a big margin.

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14 July 1986

NATIONAL

SUPPLY, MARKETING COOPERATIVE SERVICES DISCUSSED

Beijing JINGJI RIBAO in Chinese 5 Dec 85 p 3

[Article by Yang Xiaowei [2799 2556 3634]: "We Should Turn Supply and Marketing Cooperatives into Comprehensive Service Centers in the Countryside"]

[Text] Commodity Production in the Countryside Requires a Service System

In the new era of our socialist modernization, the party and the state have posted higher requirements for our supply and marketing cooperatives which, on the basis of reviving the collective type of ownership, must be gradually turned into centers for supply and marketing, processing, storage, transport, technology and services of the like. The core of these comprehensive services should be "services," that is, all kinds of services before, after, and in the process of production; in other words, they should provide all the services required by the development of commodity production in the countryside.

After the establishment of the family contract responsibility system in the countryside, the enthusiasm on the part of the peasants for developing commodity production has been very high; but there have also been risks. Information, prices, transportation, sales outlets, etc., are all problems urgently awaiting solution. The way to solve these problems is to establish a service system for commodity production; this is an objective requirement in our promotion of the development of commodity production in the countryside.

Commodity production is specialized production, and specialization must be based on a division of labor. The finer such division, the higher would be the degree of such specialization. These services around commodity production are bound to develop away from production and into specialized services in certain aspects.

Commodity production is large-scale production. In the case of small commodity production, in no aspect does it have to depend on others; it can handle purchasing and marketing and transportation all by itself. In the case of large-scale socialist commodity production, it is impossible for producers to handle everything by themselves; they are bound to develop toward specialization and into relatively independent service systems.

Commodity production is one which gradually adopts advanced production technologies; only advanced technologies can cope with large-scale production. Large-scale production requires advanced technology. In order to master advanced technology, we must have specialized talents. Speaking from this angle, we also need specialized services.

Commodity production is one which is subject to control by the market law of supply and demand; even in the case of planned production, it is still controlled by this law. Hence, we need to understand market conditions, master market information, and prevent blind production. These matters cannot possibly be handled by each and every household, as they objectively require social services.

Commodity production in our countryside is one with cooperative economy as a mainstay under the guidance of our state plan; establishing a social services system is also required by state plans, by the development of an urban and rural economic link. Since that would benefit the strengthening of our worker-peasant alliance and establishment of a new socialist urban-rural relationship. To turn our supply and marketing cooperatives into comprehensive services centers in the countryside is an important component in our rural service system.

The services of these comprehensive services centers are social services. Social services serve specialization; the agricultural producers only handle the link of production, whereas the various links serving production may develop away from production, become specialized, and re-absorbed again into production and become a whole system of organic links.

These comprehensive services are active, not passive; they are planned, not blind. Services must participate in production, organize production, and guide production. By relying on the concept of systematic management, they keep under control the whole situation of our rural economy and actively provide the services on the basis of such whole situation of the development of our rural economy.

Whether or not we are going to turn them into comprehensive services centers mainly depends on how we view their social effects, on whether the state of improvement of our development of commodity production in the countryside and in the peasants' living conditions, on the state of the expansion of the breadth of our services, the opening up of new production avenues, and the employment of our surplus laborers in the countryside, on the condition under which countryside products adapt to the market--should they seem to meet the needs of the consumer and hence easier to sell, that would mean the guidance thus provided is proper--and on the degree to which they satisfy the needs of the peasants' production and livelihood. Provision of such services to the rural economy can only be multi-component, multifarious and multi-channeled and not handled single-handedly by supply and marketing cooperatives. But, in order to become "centers," they should certainly satisfy the main parts of those needs. Social effects and the enterprise results of supply and marketing cooperatives should be consistent with each other; the higher the

social effects, the faster the supply and marketing cooperatives would develop; the greater their economic strength, the better, too, would they be able to promote the improvement of their social effects.

Supply and Marketing Cooperatives Have the Strong Points of Becoming Comprehensive Services Centers

Today, our countryside is a multi-department and multi-component economic structure. Under such circumstances, if the party and the state are to turn the supply and marketing cooperatives into comprehensive services centers in the countryside, it would mean the greatest trust being put on these supply and marketing cooperatives; hence this also brings with it even higher requirements. Supply and marketing cooperatives have the objective conditions for becoming comprehensive services centers, as they are characterized by especially strong points.

Ideologically speaking, supply and marketing cooperatives have the glorious tradition of serving the peasants; ever since the day they were born, they have taken the serving of the peasants' production and livelihood as their purpose and not aimed at making profits; they have also gained the trust of the masses of the peasants.

Organizationally speaking, the supply and marketing cooperatives constitute a complete organizational system and system of circulation with constituents spreading all over the country. There are 35,000 basic-level supply and marketing cooperatives across the country and 2,100 county supply and marketing cooperatives; there are 460,000 purchase and sales network outlets, more than 10,000 wholesale organs, and more than 28,000 processing enterprises.

Financially speaking, the supply and marketing cooperatives have rather abundant economic strength; their accumulation over the years have amounted to 26 billion yuan, with the masses of the peasants continuing to come in as shareholders and fund raisers, so that they really possess such economic strength for serving commodity production in the countryside.

Speaking in terms of conditions of their ranks, the supply and marketing cooperatives today have more than 4 billion staff and workers; they have preliminarily formed a contingent of people informed on their business and adept at management.

All of these are the strong points of the supply and marketing cooperatives, and, namely, also the objectives for being susceptible to becoming service centers in the countryside. If not fully utilized, they would not be real strong points at all. Here the key lies in our carrying out reform of our supply and marketing cooperatives in a deepening way.

How to Bring About Comprehensive Services Centers

We must further rectify our guiding ideology, and shift our stand really to the promotion of commodity production in the countryside. This may be said to be a strategic change. Break the traditional concept of the "businessman" and

establish the concept of serving commodity production in the countryside. In commodity production, all the state, the collectives and the individuals must contribute their efforts. Whosoever can benefit the development of commodity production, be it the state, a collective or an individual, should be the object of service by the supply and marketing cooperatives.

We must correctly treat the relationship between self-run business and the services. A self-managed business and the services are consistent with, and not contradictory to, each other. Whatever self-managed business is to be launched, it is always necessary to begin with developing commodity production in the countryside; the better the services are provided, the faster would be the development of the production, and the faster, too, would be the development of the self-managed business. The two are complementary and supplementary to each other. Today, certain supply and marketing cooperatives are too busy managing their own businesses, making money, issuing rewards, or even competing for profits between those above and those below, struggling to handle that which yields big profits while leaving those making little profits alone, thus lacking sufficient consideration for their social effects; this certainly merits our attention.

We must participate in the planning of production development in the countryside. In particular, at a time when the industrial structure in the countryside is up for readjustment, our supply and marketing cooperatives must actively chip in, serve as staff, make suggestions, and understand the prevailing situation. This is a propitious time for participate in production and guiding production; if we should let it go, we would become passive.

We must exploit new avenues of production and promote new economic links. Because of the readjustment of the industrial structure in the countryside, there will be a contingent of laborers shifting to new industries, especially product processing and tertiary industries in the countryside; we should therefore actively exploit them and organize them, and develop in the direction of specialized cooperatives. For instances, in the case of specialized cooperatives such as beekeeping, pomology, mining, processing, etc., the supply and marketing cooperatives in the future are most likely to become joint cooperatives.

We must strengthen the construction of the supply and marketing cooperatives themselves, and raise their level of service. At present, what is important is: First, we must strengthen the construction of the combines so as to give full scope to the strong points of a system. Second, we need to establish a nationwide information network and a trade center, because commodity production has no county boundaries or provincial boundaries; only with a nationwide information network and a trade center can we energetically guide our production and organize our circulation. And third, we must do a good job in building up our ranks and turn them into a contingent of staff and workers with proper ideology, enlightenment on business, and adeptness in management.

9255

CSO: 4007/239

NATIONAL

BRIEFS

FOREIGN FUNDS FOR AGRICULTURE--Beijing, May 21 (XINHUA)--China has used foreign funds worth two billion U.S. dollars for developing agriculture over the past five years, today's ECONOMIC DAILY reported. The World Bank has granted 70 million dollars in loans, for improving the saline soil in north China, reclaiming land in Heilongjiang Province, rejuvenating rubber plantations in Guangdong, expanding an irrigation network in Anhui, as well as for agricultural education and research. Three United Nations organizations are also aiding China in its agricultural development, the paper said. These are the UN Food and Agriculture Organization, development program and international fund for agricultural development. Scores of countries have extended loans or donations for the same purpose, it added. [Text] [Beijing XINHUA in English 1353 GMT 21 May 86 OW] /6662

IMPROVED VARIETIES OF SEEDS--Xian, Jun 9 (XINHUA)--China plans to plant 750 tons of improved seed varieties of major crops in 1990, which will account for 50 percent of the total seeds needed, compared with 18 percent in 1985. During the 1986-90 period, China expects to plant new varieties of grain on 25 million hectares. This was revealed at a national meeting of managers of seed corporations which ended here last week. Nationwide, China now has over 2,000 seed companies with a total employment of 52,000 people, said an official of China national seed corporation. During the period, improved cotton and rape seeds will also be spread, he added. China will also develop new varieties of vegetables, fodder crop and famous products for export. To promote the development of seeds, China will invest 1.1 billion yuan in the next five years. [Text] [Beijing XINHUA in English 1452 GMT 9 Jun 86 OW] /6662

NEW COTTON STRAIN--Beijing, May 26 (XINHUA)--A new strain of cotton, called "Ejing 92", has been found to produce the whitest and strongest cotton in the Yangtze river basin, today GUANGMING DAILY reported. "Ejing 92" was developed by Zhou Xin, an assistant fellow at the agricultural research institute of Jingzhou Prefecture in Hubei Province. Starting in 1971, Zhou spent nearly ten years breeding the new cotton from 4,091 varieties. In an experiment conducted around the country between 1978 and 1983, "Ejing 92" was first in both quality and output. Its per hectare output was two times more than that of an imported strain. Before 1985, "Ejing 92" cotton was planted in 153,000 hectares and its economic return came to 100 million yuan (over 30 million U.S. dollars). The cotton has been sold to 15 countries and regions since the beginning of last year, the paper said. [Text] [Beijing XINHUA in English 0537 GMT 26 May 86 OW] /6662

BEER PRODUCTION, CONSUMPTION EXPANSION BY 1990--Xian, Jun 12 (XINHUA)--Construction of a big brewery with an annual production capacity of 100 million liters started here today. It is one of three breweries of the same size to be built during the 1986-90 period. The other two are to be located in Chongqing, in Sichuan Province, and in Nanjing, in Jiangsu Province, according to Vice-Minister of Light Industry He Zhihua, who attended today's foundation-stone laying ceremony. The project under construction, involving a total investment of 150 million yuan, will be completed by 1990. Key equipment will be imported from abroad. Beer production in China has a history of over 80 years. However, it began to grow markedly only six years ago with an average output increase of 30 percent each year. Nationwide, China now has some 500 breweries, which produced 3.1 billion liters of beer in 1985, ranking 11th in the world. However, supply is still failing to quench thirsts, especially in the large cities, since beer has become a popular daily drink in China over the past few years. The vice-minister said that by 1990, China's annual beer output will reach six billion liters when the three big new breweries, as well as a batch of small and medium-sized breweries, are completed. By then, the average annual beer consumption in China will double to six liters per capita, he said. [Text] [Beijing XINHUA in English 1413 GMT 12 Jun 86 OW] /6662

WATER CONSERVANCY 'ESSENTIAL'--["Farmers 'Must Learn Lessons From Drought'"--XINHUA headline] Beijing, Jun 6 (XINHUA)--Water conservancy must be an essential part of the future development of China's farming, senior Chinese agricultural official Du Runsheng said today. Du, director of the Rural Policy Research Center of the Chinese Communist Party Central Committee Secretariat, was addressing a rural water-conservancy meeting here. The current drought in northern China demonstrated clearly that water resources were in as short supply as cultivated land and forests. "Efficiency first" must be the guiding principle in the future construction of China's water conservancy facilities, he said. Existing facilities must be taken good care of to guard against their falling into disrepair. While rules and regulations must be applied to restrict the use of water, technical renovation must also be stepped up to promote water saving. At present, only about 40 percent of irrigation water was used properly. The rest leaked away or evaporated before reaching the fields. More irrigation pipes must be laid to reduce the waste, and humidity-testing systems introduced to ensure crops received the water they needed. Du also warned that water must be protected from pollution from rural factories, which were mushrooming throughout the country. [Text] [Beijing XINHUA in English 1518 GMT 6 Jun 86 OW] /6662

GUANGXI GRAIN--Beijing, Jun 10 (XINHUA)--Grain output in south China's Guangxi Zhuang Autonomous Region is expected to increase 400 million kilograms over last year unless hit by an unanticipated natural disaster. Regional officials say their prediction is based on an increase in farmland, use of better seeds and fertilizer, and an analysis of current crop growth. [Excerpts] [Beijing XINHUA in English 1029 GMT 10 Jun 86 OW] /6662

MORE AGRO-TECHNIQUE CENTERS--Beijing, Jun 12 (XINHUA)--China has so far established over 500 county-level agro-technique centers in a bid to spread technology in the agricultural sector, according to the Ministry of Agriculture, Animal Husbandry and Fisheries today. This means that about a quarter of China's counties now have such centers, which aim at coordinating the work of independent research units, plant protection stations and training classes. In many counties, according to the ministry, they are backed by village teams staffed by peasant technicians. The centers were built with both investment from the central government and money pooled from localities. The work to set up such centers began in 1979. [Text] [Beijing XINHUA in English 1432 GMT 12 Jun 86 OW] /6662

INCREASE IN GRAIN SOWING HECTARAGE--Beijing, May 9 (XINHUA)--The area of farmland sown with grain this year will increase by 1.7 percent over last year to 72,600 hectares, the ECONOMIC DAILY reported today. The paper quoted the State Statistics Bureau as saying that sowing areas for the high-yield crops of Chinese sorghum, maize and rice will be expanded by 12.1 percent, 8.2 percent and 2.1 percent, respectively, over last year, and that for soybean, an oil crop, by 13.9 percent. The bureau gave the figures based on a sample survey of 84,000 rural households in 745 counties. According to the bureau, 18 provinces, municipalities and autonomous regions have expanded their grain-sowing areas, while ten have suffered a reduction. The grain-sowing areas in counties which usually market large amounts of surplus grain will increase by 3.2 percent this year over last, to 6,066 hectares. [Text] [Beijing XINHUA in English 0553 GMT 9 May 86 OW] /6662

KEY TO GRAIN PRODUCTION--Beijing, May 21 (XINHUA)--Improving low-yielding farmland and rational use of fertilizers will help China reach the grain production goal set by its Seventh Five-Year Plan, according to today's ECONOMIC DAILY. China plans to produce 450 million tons of grain by 1990, 70 million tons more than in 1985. This means an annual increase of 14 million tons. The paper quotes experts as saying that one solution lies in the potentials of the country's 66 million hectares of low-yielding farmland which account for about two-thirds of the total. Experiments in the past five years on 1.3 million hectares of such farmland in 50 counties show that the low-yielding land may increase output between 375 and 750 kilograms per hectare. About 6.6 million hectares of such land has been improved. In Sichuan Province, for instance, the two million hectares of such improved farmland registered a total increase of 6.1 million tons of grain in the past five years. China has applied formulated manuring (rational use of nitrogen, phosphorus and potassium fertilizers) to 30 million hectares during the 1981-85 period, which increased grain output by 10 million tons a year. By rational use of fertilizer, one hectare can yield 600 kilograms more of grain. In the lower-yielding areas, output had even doubled. Chinese agricultural authorities predict that formulated manuring will be applied to 100 million hectares in the next five years. Another 13 million hectares of low-yielding land will be improved. The two measures will, experts say, increase grain production by 40 million tons, or 57 percent of the planned increase in the 1986-1990 period. [Text] [Beijing XINHUA in English 0941 GMT 21 May 86 OW] /6662

NEW GRAIN PRODUCTION TECHNIQUES--Beijing, Jun 6 (XINHUA)--Sixteen new agricultural techniques applied to three million hectares of farmland last year have so far boosted grain production by 1.93 billion kilograms, it was reported here today. The output value of the extra grain is estimated at 1.14 billion yuan, said an official of the national center to promote agricultural techniques. The official said that while the center had been concentrating on grain production, it had also promoted techniques to increase the output of cotton, peanuts, sugar cane, rape and tea, and new methods of preserving fresh fruit. These techniques had resulted in the production of an extra 650 million yuan of these crops. [Text] [Beijing XINHUA in English 1435 GMT 6 Jun 86 OW] /6662

TRAINING OF YOUNG PEOPLE--Beijing, May 21 (XINHUA)--Roughly 10 percent of the people of China's countryside have learned one or more work skills over the past five years, according to today's GUANGMING DAILY. In all they are 80 million young people between the ages of 18 and 35. About one quarter of the trainees are women. Help has come from teachers and students of agriculture colleges all over China who give lectures and technical consultancy. More than 80,000 peasants have received professional training in these schools. The paper reports that most of the young people are now scientific farmers, technicians in rural enterprises or engaged in special side-line production. In the past, young peasants tended to confine their knowledge to traditional farming or animal husbandry techniques learned by example. Now, 41,000 townships have set up science popularizing societies to satisfy the desire of young farmers for better skills. There are also 60,000 societies to study special techniques. Scientific, youth and women's organizations at all levels have opened 13,000 peasant technical schools and 400,000 sessions of training classes. [Text] [Beijing XINHUA in English 0719 GMT 21 May 86 OW] /6662

WHOLESALE MARKET BOOM WELCOMED--Beijing, Jun 12 (XINHUA)--China's wholesale markets have greatly promoted the flow of farm products and been welcomed by both peasants and consumers. According to a domestic trade official, China had nearly 2,000 wholesale markets, mostly located in cities, by the end of 1985. The figure is estimated to climb to more than 6,000 by the year 2000, to become a major channel for China's rural products. Now all kinds of business people can bring goods into and out of the market. The prices float according to the amount and quality of supply. Peasants and state work units bring farm products as far as 1,000 km to such markets to get a good price, and retailers quickly grab the best-selling goods. Before a grain wholesale market was set up in 1984 in Wuhu, Anyui Province, the surrounding four counties had a surplus of about 50,000 tons of grain they could not sell each year. But during the first year of its operation, the market helped the peasants sell 27,000 tons of grain. The total value of goods traded in the biggest wholesale market in north Beijing reached more than 4.9 million yuan last year, the official said. With the open policy being carried out throughout the country, barriers have been removed between provinces and cities. A wholesale market in Shenyang, in northeast China, has connections with 27 provinces and cities. Meanwhile, officials of commercial departments have called for smoother management of wholesale markets. [Text] [Beijing XINHUA in English 0124 GMT 12 Jun 86 OW] /6662

PEASANTS IN INDUSTRY, SERVICE TRADE--Beijing, Jun 12 (XINHUA)--Nearly one in five Chinese peasants has left farming to work in rural industrial and service enterprises, according to the State Statistics Bureau. Eighteen percent of China's 370 million peasants work outside the fields, up from 10 percent in 1980. Most work in rural industry. "This shows peasants are continuing to find new ways to support themselves beyond the limitations of life on the farm," a bureau official said. Even among agricultural workers, he said, increasing numbers have given up growing grain for raising fish and animals as well as other farm-related activities. Most who work in industry are involved in construction. Most service workers are involved in transportation, commerce or restaurants. The change in work patterns has generated enormous productivity gains, the official said. Last year, the 370 million peasants created value averaging 1,671 yuan. But the average farm worker created only 18.8 percent of the value produced by people in industry and only 22.3 percent of that made in service trades, according to the bureau. [Text] [Beijing XINHUA in English 1127 GMT 12 Jun 86 OW] /6662

DAIRY INDUSTRY--In the past few years, the dairy industry has developed in China, from 1981 to 1984 the average annual increase in the number of dairy cows was 10 percent, the average annual increase in milk production was 15 percent. At present, there are 1,600,000 dairy cows, and annual milk production is 2,560,000 tons. From ZHONGGUO SHIPIN BAO [Excerpt] [Shanghai WEN HUI BAO in Chinese 4 Jun 86 p 1]

CSO: 4007/447

TRANSPROVINCIAL AFFAIRS

HENAN'S SANMENXIA PROJECT YIELDS RESULTS IN MANY FIELDS

HK021109 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 1 Jun 86

[Text] After 30 years of construction, the Sanmenxia pivotal water conservation project on the Huanghe has yielded comprehensive results in preventing floods, discharging silt, irrigating farmland, and generating electricity, thus providing valuable experiences to the country in intellectual exploitation of the Huanghe.

The project, which began in 1957, is the first big dam China built on the 10,000-Li Huanghe. The project was designed mainly for flood prevention and high-head hydropower generating production. The whole project was conducted in three stages; namely, original construction, expansion, and reconstruction. The original construction of the project was basically completed in 1962. The first high-head hydro-power generating unit was successfully manufactured. However, due to the failure to fully understand the objective law of the silt in the Huanghe, once the big dam stored water and generated electricity, there were enormous silt deposits at the bottom of the dam.

In December 1964, the late Premier Zhou Enlai personally held a conference on harnessing the Huanghe and studied the reconstruction of the Sanmenxia reservoir project. The reconstruction project, which aimed mainly at preventing floods, discharging silt, and generating electricity with discharged floods, started in 1965. By expanding the flood-discharging capacity of the bottom of the dam and taking such methods as discharging mud from water and drawing silt by force, the reconstruction project successfully solved the problem of silt deposits at the bottom of the reservoir area. In 1973, five China-made 50,000-kilowatt turbogenerators were successively put into operation. [words indistinct] The store capacity of the reservoir has been over 1.4 billion cubic meters.

Due to the role of the big dam of the Sanmenxia project in regulating discharged water, some 600 million yuan have been saved for repairing and strengthening dykes in the lower reaches of the Huanghe, vicious floods in the lower reaches have been effectively controlled, and some 18 million mu of farmland in Henan and Shandong have been irrigated. The China-made generating units have also achieved remarkable results. From the date they were put into operation to the end of May this year, the generating units generated a total of 10.5 billion kWh of electricity, with an output value of more than 700 million yuan. The income from generating electricity alone has covered all the money invested by the state in the pivotal water conservation project.

14 July 1986

ANHUI

BRIEFS

FEED INDUSTRY--For the past 3 years, the feed industry in Anhui has rapidly developed. Last year, gross output was more than 700,000 tons, and Anhui went from 27th place in the nation to 4th place. In the first quarter of this year, the province produced more than 220,000 tons, a more than 30 percent increase over the same period last year. Beginning in 1983, each level of the party and government concentrated on the feed industry, more than 40 million yuan was invested in the industry, and 82 large and medium-size feed mills were built. As of the end of March, the proportion of mixed feed in the total output increased from 34.4 percent in 1984 to 46.85 percent, grain content exceeded one-half, and bran content was reduced by 30 percent. [Excerpts] [Hefei ANHUI RIBAO in Chinese 6 May 86 p 1] /8309

CSO: 4007/434

14 July 1986

BEIJING

ESTABLISHMENT OF FARMERS MARKETS IN BEIJING SUBURBS REPORTED

Beijing NONGMIN RIBAO in Chinese 8 Jan 86 p 1

[Report by correspondent Xin Lei [6580 7191] and staff reporter Liu Zhanmei [0491 0594 4875]: "Opening New Channels for Vegetable Circulation, Solving Difficulties in Selling and Buying Vegetables: Peasants in Beijing's Suburbs Set up 67 Vegetable Wholesale Markets--Vegetables Exchanged in These Markets During Past 7 Months Amounting to 200 Million Jin, Making up One-third of Total Volume Marketed by Villages"]

[Text] In order to adapt to the new situation of the restructuring of our vegetable production and marketing system, solve the vegetable farmer's "difficulty in selling his vegetables" and provide the nation's capital with more fresh vegetables, the peasants in Beijing's suburbs have set up 67 vegetable wholesale markets and collection-distribution depots. From mid-May to the end of last year, as much as 200 million jin of vegetables were brought through these depots and markets into the market, which made up one-third of the total volume marketed by the villages.

Last year, after the restructuring of Beijing's vegetable production and marketing system, 60 percent of the 177,000 mu of vegetable fields in Beijing's suburbs was contracted out to individual peasant households. Vegetables as commodities must be brought into the market in a concentrated way, but vegetable farmers usually produce them in a scattered manner. Thus, on account of worries about a lack of timely market information, of shortage of means of transportation, there has emerged among them a situation of "difficulty in selling vegetables," whereas the state-run vegetable departments have long resorted to uniform purchase and marketing, providing few channels of circulation, hence there has emerged likewise a situation of "difficulty in buying vegetables" in the city. In order to solve these two new problems, rural cadres and masses in the suburbs decided to open up new channels for vegetable circulation. Therefore, a batch of vegetable wholesale markets and collection-distribution depots has been set up precisely in response to such a situation in Beijing's suburbs.

These vegetable wholesale markets and collection-distribution depots in Beijing's suburbs are divided into the pure-service and service-management types. The approach of the former is: build big exchange sheds to provide places for activities of both the buying and selling side; set up purchasing

depots at the places of production for the state-run vegetable stations; and directly purchase vegetables from the peasants, concentrate them, and then turn over to the state-run vegetable stations. The expenses involved in their service processes are entirely borne by the concerned townships and communes. The approach of the latter is: provide the buying and selling sides with places for their exchange and collect a small amount of service charges; purchase vegetables from the peasants, and then wholesale to the state-run retail stores, organs, schools, collective mess units or street vendors; and in the meantime these places also set up stalls to sell vegetables themselves. Losses sustained in such a process are subsidized by the townships and communes. Some markets and depots also provide means of production, technical guidance, and thereby become indispensable service outlets in vegetable production.

These vegetable wholesale markets and depots run by the peasants themselves set reasonable prices for their vegetables, let the vegetable farmers obtain cash for their produce, and also provide them with timely market information, thereby mobilizing the enthusiasm of the vegetable farmers in production. For instance, in the case of the third brigade of Zhengchangzhuang Village in the capital's suburb, its output value per mu of vegetable fields the year before last was only 1,574 yuan. Last year, while it was just the end of September, its output value per mu of vegetable fields already reached 2,002 yuan. This year, the village plans to build 55 mu of big sheds and 50 mu of medium sheds more in order to provide more fresh vegetables of fine quality to the market. The building of these markets and depots have also served to improve the vegetable supplies in the capital's market. Take the collection-distribution depot at Shiliuzhuang in the capital's suburb as an example: since they opened their business at the end of June, they have guaranteed a supply of more than 10 varieties of vegetables every day. By the off season of August and September, they even went to counties in remote suburbs and places like Zhangjiakou, Baoding, and Chengde in Hebei Province to purchase eggplants, peppers, peapods, etc., to provide them to the capital market. This approach has been highly welcomed. According to available statistics, since July last year, enterprises, organs and units that went to places like the racetrack alone in the capital's suburbs to buy their vegetables regularly have numbered as many as more than 40.

9255

CSO: 4007/248

BEIJING

SERIOUS WATER SHORTAGE DURING SUMMER THREATENED

HK190315 Beijing CHINA DAILY in English 19 Jun 86 p 1

[Article by staff reporter Wu Jingshu]

[Text] Beijing, a city plagued by perennial water shortages, is facing another water supply crisis this summer, the city government said yesterday.

The daily gap between water supply and demand has widened to 300,000 tons in the city, and the Beijing Municipal Government yesterday announced two sets of rules for penalizing water wastage and rewarding water conservation.

The highest penalty of 50 times the regular fee will be imposed on those who use city water for cooling without recycling it.

Units who let individual users pay their monthly water bills at a fixed amount regardless of actual consumption will also be penalized with a fine of 50 times the fee for an estimated monthly waste of 10 tons of water per user, according to the new rules.

Penalties of 25 to 250 yuan (\$8 to 80) per water tap will be leveled on the city's gardening, afforestation and environmental departments if they fail to observe the official ban on using water in the daytime. All public or private users will be required to pay a fine of 5 to 50 yuan (\$1.6 to 16) for every tap that leaks water in their houses.

All penalties will be increased at the monthly rate of 20 percent until the cause of penalty has been corrected.

Meanwhile, government units, enterprises or individuals who have contributed to water saved. All those who consume less water than their allowed quotas will be given cash awards for the amount of water they saved.

Both measures are absolutely necessary to cut down the city's water consumption during the summer peak period, especially now that a protracted draught has reduced Beijing's water reserves to a record new

low, Huang Jicheng, director of Beijing Municipal Administrative Commission, the man in charge of the city's water problem, told CHINA DAILY.

The municipal government has set quotas for all non-household consumers, Chinese and foreign, starting from this year. The rationed amount for units is 3 to 5 percent less than last year's consumption level, he said.

Huang also revealed that the government is considering setting quotas for Beijing residents. Higher prices will be charged for water consumed over the rationed amount and water within the quota will be cheaper.

Beijing's two main water reservoirs -- Miyun and Guanting -- now have only about 800 million tons of water available, while the city's underground water table has dropped down to 40 meters below the surface, Huang pointed out. In Western Beijing, underground water deposits have dried up in some places.

Beijing's water works can now supply only 1.31 million tons of water per day, a daily decrease of 60,000 tons over last year, Huang said.

But the city's demand for water continues to rise as more people move into new housing, more hotels open and more trees are planted each year.

Beijing's daily water consumption is expected to reach 2.2 million tons on peak days in 1990, an increase of 46.6 percent over 1986 and an annual rate of 7 percent.

With no other water resources available, the only way for Beijing to survive is to use every possible means to cut down its consumption, Huang said.

The city authorities will immediately introduce a new tap valve for all public and private users in Beijing to help conserve water by slowing down the water flow.

Another major possibility is to recycle the 1.8 million tons a day of sewage going into the city's main drain outlet, the Tong Hui River. It has been proposed to build a sewage disposal plant at Gaobeidian, south of Beijing, to recycle 500,000 tons of waste water a day for irrigation and industrial uses, "but this will need an 800 million yuan (\$250 million) investment and so is still under study," Huang said.

Beijing must resolve its water crisis, otherwise whether the city is an ideal site for the national capital will be in question, Vice Premier Wan Li was quoted as saying by Huang.

/12640
CSO: 4020/361

FUJIAN

GOVERNOR HU PING STRESSES GRAIN PRODUCTION

OW090303 Fuzhou FUJIAN RIBAO in Chinese 16 May 86 p 2

[Text] In his report to the Fifth Session of the Sixth Fujian Provincial People's Congress on our province's draft Seventh 5-Year Plan, Governor Hu Ping emphatically pointed out: The foundation of agriculture in our province is comparatively weak and grain production and marketing cannot be balanced. During the Seventh 5-Year Plan period, we must continue to take agriculture as the foundation of the national economy and take grain production as the foundation of agricultural development. We must pay the greatest attention to doing a good job in grain production.

Hu Ping said: Grain is the base of the foundation and we must pay the utmost attention to it. The Seventh 5-Year Plan sets our annual grain output in 1990 at 9.25 million metric tons. We must make sure that this will be fulfilled. We must do winter farming well, make efforts to increase the multiple cropping index and expand the planting acreage, pay attention to producing grain of minor varieties, and do our best not to import grains from other provinces. We must prohibit illegal occupation of cultivated land, transform low-yielding paddies, build more and manage better the water conservancy projects, pay attention to water and soil conservation, promote intensive farming, and increase the per-mu output. We must adopt and carefully implement various economic policies to encourage grain production and perfect the contract purchase system.

Hu Ping said: We must quickly and adequately readjust agricultural production, make a good distribution of productive forces, make full use of the advantages of mountains and seas, and develop a diversified economy. Forestry is the pillar of the economy of the mountainous areas and a vital factor in the maintenance of ecological equilibrium. It is one of the basics. We must make great efforts to plant trees and afforest land and strengthen the management of existing forests. Felling of trees must be rational. The forest coverage rate and the timber storage rate must be increased. We must develop animal husbandry, making use of and opening up grazing lands, and develop aquaculture, making full use of shallow beaches, reservoirs, and ponds. In this way we can gradually establish bases for producing forest, animal-husbandry, and fishery commodities and various other commodities with local characteristics to provide the domestic and foreign markets and the processing industry with plenty farm and sideline produce of infinite variety.

Hu Ping pointed out: Town and township enterprises are the only way to invigorate the rural economy. They can take much of the surplus labor force of the countryside and, more importantly, help the masses free themselves from poverty and become well off. During the Seventh 5-Year Plan period, we must make gigantic efforts to develop household businesses and production-related businesses, establish various specialized commodity markets, and promote the development of the rural commodity economy. We must increase our agricultural input through various levels and channels, step up the building of basic agricultural facilities, accelerate the agricultural technical transformation and importation, improve the conditions for production, and increase our ability to combat natural disasters. We must mobilize all trades and industries to energetically support agriculture and provide it with all necessary materials, technical knowhow, and services in order to quicken agricultural development.

/8918

CSO: 4007/431

FUJIAN

BRIEFS

FRUIT OUTPUTS--Based on data provided by relevant departments, fruit output in Fujian in 1985 increased 22 percent over 1984, and reached 294,000 tons for the first time. Orange output was 103,000 tons, longan output was 57,500 tons, banana output was 42,500 tons, an increase of 22 percent, 91 percent, and 82 percent respectively over 1984. In addition, watermelon output reached 234,000 tons. [Excerpt] [Beijing ZHONGGUO SHANGYE BAO in Chinese 15 May 86 p 2] /8309

CSO 4007/434

GUANGDONG

LARGE INCREASE IN PEASANT INCOME REPORTED

Guangzhou GUANGDONG NONGMIN BAO in Chinese 11 Dec 85 p 1

[Report by Bingsong [3521 2646] and Xiaoye [2556 0673]: "Sample Survey Results of over 1,600 Peasant Households Indicate Income Has Greatly Increased in Recent Years in Guangdong; 1984 Provincial Per Capita Average Net Income Amounted to 425.3 Yuan; an Increase of 1.2 Times over 1978 with Yearly Average Increase of 14.1 Percent; Unprecedented in the History of Our Province"]

[Text] According to results from a sample survey of 1,699 of the province's peasant households by the provincial bureau of statistics, in 1984 the average per capita net income (with expenditures such as production cost, levies, assigned amount submitted to the collective deducted) in the countryside reached 425.3 yuan, an increase of 1.2 times over that of 1978 with a yearly average increase of 14.1 percent and an actual increase of 38.7 yuan (whereas during the 20 years from 1956 to 1976, the per capita increase in accumulation was only 45.6 yuan). Peasant income thus has increased by large margins for several years in a row; this is unprecedented in the history of our province.

According to analyses, there are two rather conspicuous reasons why peasant income has increased steadily. One is the practice of the joint production responsibility system based on family management, which has considerably mobilized the enthusiasm of the vast ranks of the peasants in production; family management has become the principal source of the family income of the peasants. In 1984 the net income of family management on the part of the peasants (including income from contracting collective tasks and family sideline enterprises) averaged 333.6 yuan for each person, making up 78.4 percent of their total net income. The second is the state's readjustment of its relevant policies to make it possible for family sideline production in the countryside to gain rapid development; some of the peasants have engaged themselves in handicrafts, construction, communications and transportation, commerce, food and service trades and the like with their surplus laborers and labor time. Last year, the family sideline production income of the peasants averaged 180.9 yuan for each person, an increase of 1.4 times over that of 1978.

Sample survey results also indicate that our peasants have already changed their singular uniform accounting of the past (single distribution at year's end) to multi-channel income; this made possible the emergence of a

conspicuous improvement in the condition of tight money. In 1984, the per capita average cash income of people in the countryside amounted to 387.5 yuan, making up 68.7 percent of their total income; their per capita average cash income was 32.3 yuan per month, an increase of 2.5 times over that of 1978. The increase in cash income not only enabled the livelihood of the vast ranks of our peasants to improve, but their accumulation also continued to increase. In 1984, per capita cash on hand and savings deposits amounted to 145.2 yuan, an average of 869 yuan per household.

9255

CS0: 4007/248

GUANGDONG

BRIEFS

BANANA OUTPUT--Last year, the area sown to bananas in Guangdong was more than 3,170,000 mu, a nearly 30 percent increase over 1984; output was 250 million kilograms, a more than 30 percent increase over 1984. This year the estimated gross output will exceed 300 million kilograms, a more than 20 percent increase over last year. [Excerpts] [Guangzhou GUANGDONG NONGMIN BAO in Chinese 14 May 86 p 2]

CSO: 4007/436

HEBEI

BRIEFS

FEED OUTPUT--In the first quarter of 1986, Hebei produced 1,283,280 tons of feed, an increase of 75 percent over the same period last year; the industrial gross output value was 42,240,000 yuan, an increase of 46.5 percent over the same period last year; profits increased 81 percent over the same period last year. Of total sales, the proportion of compound feed increased from 52 percent last year to 60 percent; of gross output, mixed feed increased from 41 percent last year to 53 percent. [Excerpts] [Beijing ZHONGGUO SHANGYE BAO in Chinese 29 May 86 p 3]

CSO: 4007/447

14 July 1986

HUBEI

HUBEI HOLDS CONFERENCE ON COMBATING DROUGHT

HK060945 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 5 Jun 86

[Excerpt] This morning, Guo Zhenqian held a further conference on combating drought to listen to the reports on the drought situation.

The conference stressed: All places and departments concerned must really establish the idea of combating serious drought over a long period of time, take further resolute measures, and try in every possible way to combat drought to strive for a bumper harvest.

Since the provincial CPC Committee and provincial government issued an urgent instruction on taking vigorous measures to do well in combating drought and crash-transplanting early-rice seedlings without losing any time, CPC committees and governments at all levels and all departments concerned have immediately gone into action and gone all out to wage struggle against drought more extensively and penetratingly. Provincial departments concerned have supplied the areas hit by drought with nearly 120,000 kilowatts of electric power and some 30,000 tons of diesel oil. All prefectures, cities, and counties have taken resolutely measure accordingly and offered some 280,000 kilowatts of their electric power for use in combating drought. At present, some 70,000 cadres and approximately 5 million workers throughout the province have plunged into combating drought, a total load of some 400,000 kilowatts has been used to combat drought, and diesel engines of some 1.5 million horse-power have also been used. Due to continuous high temperatures, the drought situation has gradually deteriorated. The area of crops hit by drought has reached some 23 million mu, which accounts for half the crops in the fields.

In the light of the continuous development of the drought situation, the provincial government has made further arrangements for combating drought, which are mainly as follows:

1. It is, in principle, necessary to guarantee the supply of electricity for use in combating drought. We must first reduce by 10 percent the electricity load of the large enterprises and use it to combat drought. These units must bear in mind overall situation and support the rural areas in combating drought to strive for a bumper harvest.

2. The central oilfields and oil refineries in our province must support the areas which have been seriously hit by drought by giving priority to the supply of some or the majority of their diesel oil. The provincial petroleum company must additionally appropriate 30,000 tons of diesel oil around 10 May.

3. Supply and marketing departments must immediately supply chemical fertilizers ahead of the specified schedule so as to guarantee that the farming season is not missed.

4. In the wake of the development of the drought situation, the work of combating drought will become harder and harder. All places and departments concerned must make good preparations for combating drought.

/8918

CSO: 4007/431

HUNAN

SIX MEASURES TO STABILIZE PORK PRICES IMPLEMENTED

Changsha HUNAN RIBAO in Chinese 18 Feb 86 p 1

[Article by Li Ling [2621 7117] and Wan Weixing [5502 5898 2502]: "The Provincial Government Has Decided To Adopt Six Economic Measures To Stabilize Pork Prices and To Improve the Purchase and Sale of Swine"]

[Text] After the swine procurement quota has been canceled and price restrictions have been removed, how can we improve the purchase and sale of swine? The provincial government recently summarized the implementation situation over the past year and devised new regulations. Six cities in the province can apply procurement contracts this year and exchange grain for swine. (For each mature swine, the state will give the farmer credit for 200 jin of average-priced grain.) Cities can regulate pork prices, restrict prices, and provide appropriate subsidies to ensure a relatively stable urban pork supply.

The provincial government has demanded that pork sale prices be stabilized at present levels this year and not be increased. They hope to gradually resolve seasonal differences in pork prices and also price differences between fat and lean pork. Because of this, the provincial government has decided to adopt six economic measures: 1. Allocations of feed grain made last year for swine exchanges were good for 2 years. It can continue to be used this year. Exchange methods can be determined at the local level. 2. After receiving permission from the county (city) government, swine used to supply local markets or to adjust the supply in different cities within the province are not subject to product or business taxes. Local pork used to supply city markets are not subject to business taxes. Pork used to supply other provinces will be subject to taxes. 3. Industries created from the state-run meat sector will not receive contract fees. Within the system, fees for using fixed assets and depreciation funds will not be transferred to revenue but will remain under their control and available for their own use. 4. Swine sold by the state-run meat sector are not subject to the market management fee. 5. Storage expenses for frozen meat covered by this year's plan for all cities will be calculated according to last year's levels. The provincial Finance Department will provide further information. 6. Banks should supply loans for the funds required by the state-run meat sector to establish new businesses.

13015/9190
CSO: 4007/360

JIANGSU

CHANGES IN AQUATIC PRODUCTION DESCRIBED

Beijing RENMIN RIBAO (OVERSEAS EDITION) in Chinese 15 Feb 86 p 3

[Article by Zhou Zhengeng [0719 2182 0023]: "Ten Big Changes in Jiangsu's Aquatic Products Production; Deregulation of Purchasing and Selling Price, Assigned Purchase System Ended; City and Country People 'Difficulty in Getting Fish' Alleviated, Prices Start to Fall"]

[Text] Since the prices of aquatic products were deregulated and the assigned purchase system ended, there have been 10 big changes in aquatic products production in Jiangsu; the "difficulty in getting fish," which city and country people faced for many years, is being alleviated.

In the past few years, Jiangsu has persisted in reform, and the total output of aquatic products has gone up from the original sixth place among provinces, municipalities, and autonomous regions, to the fifth place. At the beginning of 1985, this province decided to deregulate the prices of aquatic products and end the assigned purchase system, in accordance with the relevant national policies. Experience has proven that the result of these reforms is the infusion of new vitality into aquatic production, revealing a new situation of overall development of aquatic production in Jiangsu. The outstanding changes primarily fall into 10 areas.

1. Aquatic production is showing the largest degree of growth since the founding of the country. Compared with the previous year, in 1985 the total growth in output of aquatic products was 160,000 tons, a growth of 18.8 percent, surpassing by 20.5 percent the goal set in the Sixth 5-Year Plan.
2. The breeding and fishing industries increased production both in freshwater and the ocean. Freshwater breeding output doubled compared to 1980, and increased 32 percent compared to the previous year. Compared to 1980, in Jiangsu there are 4 cities and 27 counties (districts) in which freshwater aquatic products output has doubled 5 years ahead of schedule.
3. There have been major changes in the production structure of aquatic products. The ratio of freshwater aquatic products output to ocean aquatic products output went up from 0.9:1 in 1980 to 1.8:1 in 1985; breeding output's share of total aquatic production rose from 28.4 percent in 1980 to 50.7 percent.

4. Per capita fish consumption has increased. In 1985 there were more than 21 jin of aquatic products per person in Jiangsu, 3 jin more than the previous year. In Suzhou, Wuxi, and other cities, the average actual fish consumption is above 30 jin.

5. There have been fairly big breakthroughs in the development of various bodies of water and coastlines. Besides breeding in ponds, there are 150,000 mu of enclosed fish breeding in large and medium areas of water, a fourfold expansion over the previous year; the areas of rice fields with fish breeding grew 350 percent.

6. High-yield breeding technology from southern Jiangsu is being transferred quite quickly to northern Jiangsu. In some fish ponds in northern Jiangsu, there are high-yield models where the per-mu yield exceeds 1,000 jin.

7. Following the growth of fishing industry production in the province, the variety of fish at all the markets in Jiangsu has increased and the quality is higher. In markets in the past, silver carp "ran the show," but now, black carp, grass carp, bream, crucian carp, and other high-quality fish make up 70 percent of the total fish output at markets.

8. Fish prices are steadily falling. In the fourth quarter of 1985, the overall average prices in Jiangsu for fresh fish fell by 10 percent to 20 percent compared to the first half of the year.

9. There has been fairly large growth in the artificial raising of river crab, soft shell turtle, fushou [4395 1108] snails, and other special aquatic products.

10. There have been large-scale increases in the production of Gorgon fruit, lotus root, and other cash crops grown in water.

12919/9190

CSO: 4007/311

14 July 1986

JIANGXI

RURAL TECHNOLOGY MARKET RESULTS REPORTED

Beijing NONGMIN RIBAO in Chinese 18 Mar 86 p 1

[Article: "Jiangxi Is Quickly Guiding Science and Technology Toward the Countryside, Obtaining Outstanding Results from the Rural Technology Market; 62.57 Million Yuan Worth of Composite Social and Economic Benefits Were Created in 1985, About 20 times the Amount of Scientific and Technological Investment"]

[Text] In order to guide science and technology toward the countryside, Jiangxi's Science Commission began in 1984 to establish a provincewide rural technology market. At present it has grown to encompass 98 counties (or administrative areas), accounting for 88 percent of all Jiangxi counties (or administrative areas). In 1985, 62.57 million yuan worth of composite social and economic benefits were created, about 20 times the amount of scientific and technological investment.

All over Jiangxi the core of the technology market is the county, which connects above to the province and region and below to townships and villages. Each market utilizes a combination of administrative means and economic leverage to enlist the services of talented people from social and scientific research units and institutions of higher education. They collect technology and vitalize rural economic services by organizing technological service teams and technological training, and by establishing economic associations between technology and production. For example, Longnan County Science and Technology Market called together over 60 scientists, technicians, and skillful craftsmen and organized 7 technological service teams, each with a different specialty, to go out into the countryside. Of these, the Technological Service Team To Transform Low-yield Orchards had 33 members, and they signed service contracts on nearly 30,000 fruit trees grown by 332 fruit-farming households. That year, through technological reforms--pruning, cultivation, fertilization, insect eradication, and disease treatment--the per-mu yield in Chinese chestnut orchards increased 50 percent over the previous year, and the per-mu yield in citrus orchards rose 130 percent. In Ganzhou Prefecture the technology market conducted a technical training class on pond milkfish breeding, and more than 3,200 people attended the class. After the students left the class they set off a surge of enthusiasm for raising pond milkfish. In 1985, 2.4 million-plus jin of milkfish were harvested throughout the prefecture. A collective of only four or five people set up shop as the

Ningdu County Chalk Factory and suggested the trial manufacture of dust-free chalk. However, they lacked the technology, funding, and equipment for the job. Ningdu County Technology Market sent out technical personnel, invested 13,000 yuan, and entered into joint operation with this plant to develop the product. Now this plant has grown into a new-style small enterprise employing 47 people. Its product sells well in Ruijin, Yudu, and other counties, and has also broken into the market in Nanchang, Shanghai, and other regions. In 9 months of 1985, this plant reached a production value of 95,000 yuan and achieved a net profit of 25,000 yuan. According to statistics, in 1985 Jiangxi's rural technology market launched 40,690 technological service projects (or instances) of all sorts, trained more than 15,000 youth, established 112 technical economic associations of various kinds, and imported and transferred 373 technical items.

In order to enhance guidance of rural technology markets and arrange coordinated efforts, the Jiangxi provincial government has formulated provisional methods for managing technology markets, and they have also recently approved the establishment of a provincial technological market development center.

12510

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14 July 1986

JIANGXI

BRIEFS

FISH, CATTLE RAISING FUNDS BOOSTED--Nanchang, 21 June (XINHUA)--East China's Jiangxi Province will use foreign loans and aid totalling 45 million U.S. dollars this year to speed up fish breeding and the development of pastures for animal husbandry. An official of the provincial Agricultural Development Company said today: The World Food Program has agreed to provide us with aid in kind worth seven million U.S. dollars to help Jiangxi peasants dig 500 hectares of fish ponds around Boyang Lake." On completion of the ponds by 1988, peasants will net in 5,000 tons of fish annually. Another 2,100 hectares of fish ponds will be dug with 7.71 million U.S. dollars in a loan extended by the World Bank in the suburbs of the provincial capital of Nanchang. When completed by 1989, the ponds will produce 10,000 tons of fish a year. "We'll receive another 30 million U.S. dollars in a loan from the World Bank to build 20,000 hectares of livestock farms and fruit plantations in eastern Jiangxi," he told XINHUA. By 1996, the facilities will produce 150 million yuan worth of milk, meat, eggs and fruit, and earn 34 million yuan in profits a year. The World Bank is expected to ratify the two loan agreements later this month. [Text] [Beijing XINHUA in English 0933 GMT 23 Jun 86] /12640

CSO: 4020/361

LIAONING

PROVINCE TO BUILD FARM EXPORT CENTERS

OW190610 Beijing XINHUA in English 0542 GMT 19 Jun 86

[Text] Shenyang, 19 June (XINHUA) -- Liaoning Province in northeast China plans to invest 360 million yuan in constructing farm export produce centers during the 1986-90 period, according to an official.

Zheng Silin, assistant governor, told XINHUA here today that these production centers will export rice, corn, sesame, peanut, silk, asparagus, apple, prawn, jellyfish, ginseng, antler, mink, live cattle, goat, fungus, hawthorn, geese, ducks and pork.

The province has sound infrastructure facilities for research, production, processing, and transportation of the export products, he said.

The province, which now exports 80,000 tons of rice a year, plans to expand cultivated areas to 6.7 million hectares and export 150,000 tons of rice annually by 1990. Rice produced in Liaoning is popular on the international market.

Apple is another Liaoning product which ranks first in both output and exports. The province is now disseminating the fine strains whose fruit is fragrant, sweet and crisp.

Marine farming has a great potential for development, Zheng said. Liaoning has a coastline extending 2,800 kilometers with 110,000 hectares of shallow water for breeding prawn, jellyfish and other aquatic products. Its current output of prawn accounts for one-third of China's total cultivated prawn and exports of jellyfish make up 80 percent of the total.

Liaoning is also one of seven major cattle exporters which exported more than 10,000 head of live cattle in 1985.

The official expects that the farm produce will earn 510 million yuan, compared to the planned 210 million dollars earned this year.

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CSO: 4020/361

NINGXIA

BRIEFS

NINGXIA IRRIGATION FACILITIES--Yinchuan, 9 Jun (XINHUA)--Peasants in the Ningxia Hui Autonomous Region have brought 36,000 hectares of farmland under irrigation since October last year, an official of the regional water conservancy office said here today. In addition, they improved or reclaimed 8,400 hectares of low-yielding fields and wasteland. Over the past 8 months, local peasants repaired 65,000 canals and ditches with a total length of more than 8,000 kilometers and added 6,500 facilities for small irrigation systems. [Text] [Beijing XINHUA in English 0938 GMT 9 Jun 86] /9604

CSO: 4020/359

SHANDONG

USE OF NEW STOCK URGED TO IMPROVE CATTLE INDUSTRY

Jinan NONGYEZHISHI [AGRICULTURAL KNOWLEDGE] in Chinese, No 1, 5 Jan 86
pp 11-13

[Article by Feng Desheng [7458 1795 4141] of the Animal Husbandry Institute, Shandong Academy of Agricultural Science: "Great Future for Cattle Improvement"]

[Text] Cattle raising in Shandong is still in a depressed state. One factor is the slow growth. According to statistics, Shandong only has 2.3 million head of various kinds of cattle, 7 percent less than in the first period after the founding of the country and 14 percent less than in 1955, the year in which the most cattle were raised. The second factor is lopsided growth. Shandong currently has 2.2 million head of local breeds of cattle, which account for more than 98 percent of the total number of cattle, there are almost 40,000 water buffalo, accounting for 4.3 percent. There are barely more than 10,000 dairy cows, which comes to only one cow for every 7,000-plus people in Shandong. The third factor is the commodity rate is too low. According to surveys, cattle raised in agricultural areas are used for only 2 to 3 months out of the year. One head of beef only produces about 75 kg (150 jin) of beef. The milk produced by cows is only enough to feed the calf. The fourth factor is the shortage of milk and beef. At present, the average amount of milk per person in Shandong is 0.25 kg (0.5 jin), and for beef it is less than 0.1 kg (0.2 jin) How can we take effective measures to raise the cattle commodity rate and economic efficiency so that raising cattle can truly become a way for peasants to become prosperous? Below we will discuss several ideas.

1. Practice Improvement in Accord with Local Conditions

Cattle improvement means using the method of "change" to achieve the goal of "good." For many year, cattle have been bred within the same breed, with the result that it takes a long time and results are poor, leading to small bodies, weak working ability, and relatively low milk and meat production. Improvement through use of other breeds is an effective way to hasten the development of cattle raising. Take the example of dairy cows being used to improve regular cattle; experience everywhere has proven that cows in the first generation from the cross can generally yield 1,500-2,000 kg of milk in the full milk production period; the second

generation from the cross can produce more than 3,000 kg of milk. By the third generation of breeding, milk production capacity is basically the same as purebred dairy cows. The meat yield of hybrid cattle has also been significantly increased: one head can produce 115 kg (230 jin) of meat, more than 50 percent higher than regular cattle. Hybrid cattle have large bodies and are very strong; their draught ability is increased more than 50 percent. By using purebred beef cattle to improve regular cattle, the draught ability and the meat yield can also be increased. Every location can, based on its own conditions and strengths, adopt feasible measures to accelerate the improvement of regular cattle. For example, the suburbs of cities and small towns and developed industrial, mining, and coastal areas can actively bring in purebred dairy cattle breeds to carry out improvement; the many agricultural areas can, based on local transportation conditions and the capacity to process products, bring in dairy, beef, or combined dairy-beef breeds to carry out improvement; mountain areas or border areas should bring in beef cattle breeds to improve regular cattle; areas with concentrations of water buffalo can bring in high-quality water buffalo breeds to carry out improvement. Only by continually bringing in high-quality breeds and improving one generation after another will it be possible to achieve in the near future good results in breeding excellent dairy, beef, and draught cattle.

II. Select Good Improvement Parental Stock

Improvement parental stock and the goal of improvement are intimately connected; taking the present and future into account, it will not work to make dairy production, meat production, or draught ability the sole goal of improvement. It is necessary to proceed from reality and make it clear that the improvement of cattle should focus on dairy and beef production but also consider draught ability, so that the cattle can be worked during the busy season on the farm, be milked in the less busy months, and be used for meat when they are old; this is economically practical and is welcomed by the masses. Choice of the parents for improvement is the key to doing improvement properly; based on Shandong's present resources of stud bulls (including frozen semen), we suggest the following choices: for improving regular cattle with an emphasis on milk production, it is best to use Holstein dairy cattle, but it is also possible to cross with Holstein breeds and Simmental breeds in alternating generations. To improve regular cattle with an emphasis on beef production, one can choose to cross with Limousin, or one can also first cross with Luxi [Western Shandong] cattle for one or two generations, and then use Limousin or Summental for a three-parent cross; in mountain areas, besides crossing with Limousin and Charolais, it is also possible, when appropriate, to bring in Hereford and dual-use shorthorn cattle for crossing. Mela [8010 2134] and Nili [1441 6849] can be brought in to improve water buffalo. Experience has proven that choosing improvement parents in this way can achieve relatively ideal hybrid vigor and bring fairly good economic results.

III. Make Greater Use of Frozen Semen in Breeding

Many production, scientific research, and educational units in Shandong have been developing frozen semen breeding technology for many years and

have accumulated considerable experience; this provides favorable conditions for further developing cattle breeding improvement. However, there are still several problems with frozen semen breeding: for example, full use is still not made of equipment, the frozen semen conception rate is not high, etc. From now on, we must make full use of equipment, provide sufficient high-quality frozen semen granulation, consolidate and strengthen local semen delivery stations and points, strengthen the technical training of breeding personnel, and improve the technical level. In frontier mountain areas and areas with poor and incomplete transportation conditions, in order to prevent cows not being pregnant, we can use the method of normal temperature breeding integrated with crossing of local breeds; we should also actively support "breeding speciality households" and expand the scope of breeding. No matter what breeding methods are adopted, they should all be carried out according to plan, and strict measures must be taken to avoid uncontrolled mating and excessive breeding.

IV. Strengthen the Rearing and Management of Hybrid Cattle

The abundance of nutrients and reasonable rearing and management has very important bearing on whether the improvement results are good or bad. If there is not enough forage grass and fodder and the rearing and management is poor, not only will the excellent characteristics of the improvement parents not be expressed, the progeny may even lack the local cattle's tolerance of coarse fodder and be less able to adjust to bad conditions. Therefore, to improve cattle properly, it is essential to provide high-quality forage grass, make full use of agricultural products and byproducts, make greater use of corn stalks for silage, and mix feed properly. In particular, the rearing and management of pregnant cows, calves, and improvement stock must be strengthened, they should be frequently put out to graze in the summer and fall, in winter and spring they should be given more supplemental feed, they should not be overworked, and attention must be paid to the prevention of epidemic diseases, in order to ensure the cattle's physical condition.

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SHANGHAI

REVITALIZATION OF TOBACCO PRODUCTION, SALES

Shanghai WEN HUI BAO in Chinese 13 Mar 86 p 1

[Article by newspaper reporter Sun Zhonglian [1327 0022 6647]: "Tobacco Production and Sales Have Been Simultaneously Revitalized; the Shanghai Tobacco Industry Has Broken the Mold and Established Communication with Other Areas; They Have Established Sources of Raw Materials in Guizhou and Henan and Have Implemented Cooperative Production Arrangements with 15 Tobacco Factories in 9 Provinces; Last Year, More Than 300 Million Yuan Was Produced for the State"]

[Text] During reform of the economic structure, the Shanghai tobacco industry has broken its longstanding closed style of production and management. Viewed from the standpoint of supply, production, and sales, they developed comprehensive economic cooperation with other brother provinces and cities. At the present time, sources of raw materials have been established in four major tobacco-producing areas in Guizhou and Henan. Coordinated production arrangements have been implemented with 15 tobacco factories in 9 provinces. Last year, the increase in production resulting from cooperative management equalled 6 months' production by Shanghai cigarette factories. The sources of raw materials supply 60 percent of all tobacco leaves required. Shanghai tobacco industry practices have supplied the experience required to expand production and increase profits for Shanghai industrial enterprises.

The cooperative management arrangements in the Shanghai tobacco industry began in 1982. At that time, the most significant problems facing the industry were lack of factory space and productivity that had reached a plateau at the same time that market demand continued to increase. Shanghai cigarette factories took advantage of their technical management expertise and product reputation to coordinate processing with the Wuhu cigarette factory. This cooperation produced results very quickly, not only increasing the amount of Shanghai's famous brand tobacco that reached the market, but also increased the profits of both cooperators. In 1984, the newly formed municipal tobacco company immediately summarized the experiences of the tobacco factories. Based on the principle of "accentuating your strengths, avoiding your shortcomings, and being willing to allow both sides to profit," they began to coordinate with more than 10 tobacco factories in Guangdong, Guangxi, and Jiangsu provinces and produce famous brand tobacco that sells rapidly in the market place. The cooperative management also progressed

from raw material processing to cooperative production, supervision, and technical assistance. These multiple economic cooperative arrangements allowed the Shanghai tobacco industry to escape from a passive production situation, and their profits have greatly increased. Last year, production of the cooperative management reached 460,000 boxes. Revenue for the state increased to 300 million yuan, among which technical service charges were nearly 10 million yuan.

Lack of unprocessed tobacco leaves is another problem that the Shanghai tobacco industry has faced in recent years. In particular, medium- and high-quality tobacco has been in very short supply. Although millions of yuan in foreign currency have been used for imports every year, production demands still cannot be satisfied. In order to solve this problem, the Shanghai tobacco industry has tried very hard to develop horizontal economic cooperation arrangements with other tobacco-producing areas. They have established a 350,000 mu source of tobacco production in Henan, Shandong, Yunnan, and Guizhou and signed exclusive supply contracts. They have invested more than 10 million yuan and are cooperating with the relevant local sectors in these areas to select high-quality varieties, train personnel, transport fertilizer, apply S&T to help tobacco farmers increase planting standards and production of high-quality tobacco. Last year, the selection rate of medium- and high-quality tobacco leaves per dan increased 10-fold in tobacco from the exclusive supply sources in Xiangcheng, Henan. This provided high-quality raw material for Shanghai cigarette factories to produce high-quality tobacco such as the "Panda Bear" and "China" brands.

As far as sales are concerned, the Shanghai cigarette industry has formed a Shanghai tobacco trading center together with the China Cigarette Sales Co. Under this cooperative management, production and sales are combined, but accounting is independent. In addition to managing Shanghai cigarettes, this trading center also handles cigarettes and cigars produced by major tobacco factories nationwide. Management involves setting allocation, wholesale, and distributor prices. In order to learn about the marketing situation in the south, they have established a sales window in Shenzhen. Within the Shanghai municipal area, the trading center has established a wholesale market whose management is coordinated with eight other areas. This permits a retail network of more than 10,000 households in Shanghai to purchase their stock directly. This action has greatly simplified the steps involved in distribution and revitalized transportation channels. In the past, cigarette sales depended upon planned adjustments and a level-by-level wholesale style.

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SHANXI

CURRENT PLANS FOR GRAIN PLANTING LISTED

Taiyuan SHANXI NONGMIN in Chinese 8 Mar 86 p 3

[Article: "What Types of Grain Should Be Planted This Year?"]

[Text] At the present time, grain in China is in short supply. Per capita grain consumption in Shanxi is lower than the national average. The quantity and variety of grain produced still does not meet society's demands. A long-term, vigorous effort is necessary, and even a slight relaxation of this effort cannot be tolerated.

Therefore, at the same time as all areas are stressing grain production and maintaining the increase in total grain output, the balance of grain varieties must be adjusted based upon market demand. Production of the following major varieties must be emphasized:

1. Wheat: Following the recovery and development during the past several years, wheat production in Shanxi is more than one-third of total grain production. It still, however, cannot meet the demand, and large amounts must be imported from other provinces. The climate and geographical conditions in many southern counties, a majority of the counties in Jinzhong and Jindongnan prefectures, and (Pingchuan) County in Luliang Prefecture are suitable for winter wheat production. These areas should fully realize their production potential and strive to expand planting areas and increase yields. In order to stabilize high production, special emphasis should be given to selection and promotion of high-quality varieties and increasing the investment in fertilizer. Farmers in northern areas of Shanxi Province should be actively encouraged to expand planting of spring wheat wherever conditions are suitable and increase production.

Wheat prices in all markets have generally recovered since last year. Stable or slightly increased prices are forecast for this year. Farmers in all areas can confidently proceed to expand production.

2. Corn: The state has assigned Shanxi a corn export quota of 500,000 tons. This is a nine-fold increase over last year and is one-fourth of total corn production in Shanxi. We must export 250 million kg of corn in order to compensate for the wheat shortage in Shanxi. Demand for corn to be sold or used for animal feed will increase strongly this year.

Therefore, the corn-planting area in Shanxi should not be decreased this year. There should be an adequate recovery in locations where the planting area was significantly reduced last year. Major production areas, especially northern and middle regions and Jindongnan Prefecture, should take full advantage of favorable local conditions, stress corn production, and ensure the increase of corn production in Shanxi.

3. Soybeans: Demand for soybeans in Shanxi has increased yearly. This year Shanxi has named soybeans as a fixed-procurement grain. For soybeans not covered by procurement, the grain sector will be actively negotiating purchase at the local area. All areas must pay particular attention to soybean planting. Major producing areas, such as Luliang Prefecture, Jinxibei, and Jinbei should increase their planting areas and increase production.

4. Sorghum: After the proportion of more desirable grain in the total supply for township residents has increased, the area planted in sorghum for human consumption has decreased. The amount of sorghum used for production of alcoholic beverages or export to other provinces, however, has continually increased. The amount of sorghum purchased through contract procurement and negotiated procurement is approximately the same this year as in 1984. Therefore, the sorghum-planting area should not be arbitrarily increased. Major production areas in the middle of Shanxi and along the Fen River should work to increase yields and ensure a steady increase in production.

5. Millet: During the past few years, millet purchases in Shanxi have been greater than sales. Therefore, millet storage has increased. Sales within Shanxi are mainly used to adjust the amount of grain for consumption. Because millet is not a familiar food, sales outside Shanxi are poor. Farmers should adjust millet planting in accordance with contract procurement and their own needs. Major producing areas in Jindongnan, Yenbei, and Jinzhongdong should improve well-known varieties and increase their quality.

6. Other grains and legumes: Rice production should be expanded as natural conditions permit. Major production areas in the southern suburbs of Taiyuan and Fanshi must carefully maintain their planting areas, increase yields, and ensure the completion of state contracted procurement plans. Consumption of naked oats varies from region to region, and production should not be expanded beyond the amount required for local consumption and to fulfill contracted procurement. Purchase of other grains whose procurement is not fixed should be continuous and open. Based upon market demands, the grain sector should conduct negotiated purchases and sales. Production of such grain should be arranged on the basis of market supplies and demand. According to the current situation, mung bean production should be continuously expanded. As beer production expands, the demand for barley will increase. As far as red bean and lima bean planting areas and varieties are concerned, production and demand must be carefully balanced. Units which use these legumes must contact farming households directly and sign contracts before the spring planting season. They can also purchase through the grain sector to avoid dislocations.

SHANXI

SHANXI SILKWORM, MULBERRY TREE PRODUCTION VIEWED

Taiyuan SHANXI NONGYE KEXUE [SHANXI AGRICULTURAL SCIENCES] in Chinese No 12,
20 Dec 85 p 29

[Excerpt] State of Silkworm and Mulberry-tree Production Since Founding of the Republic

In 1955, governments at various levels in our province began to get a handle on silkworm and mulberry-tree production enterprises; by 1958 such mulberry-tree planting and silkworm-raising enterprises in the province had developed from 20-odd to 40-odd counties. But because of the 10-year catastrophe of the "cultural revolution," mulberry tress were destroyed in favor of foodgrain planting; in addition, inferior mulberry trees were mixed among the good and silkworm diseases also prevailed in general; technical laborers were few and little attention was paid to management, so that cocoon production decreased year after year, lingering as it did between 115,000-150,000 jin for a long time. There were only some 4,000-odd mulberry trees left.

Since the 3d Plenary Session of the 11th CPC Central Committee, silkworm and mulberry production in our province has really taken-off. Beginning in 1982, the annual cocoon production of the province increased from some 3,000,000-odd jin to 6,000,000-odd jin, with a progressive yearly increase of 500,000-700,000 jin. Today, we have 270,000 mu of mulberry-tree orchard, and our mulberry trees have developed up to 400 million.

Today, silkworm and mulberry-tree production in our province has developed into a form of science-teaching-promotion three-in-one combination. Counties developing silkworm and mulberry-tree production now number 87, making up 70 percent of the total of the province; specialized silkworm-raising households have reached over 25,000-odd in number, with a contingent of specialized personnel numbering more than 30,000. In the meantime, there has emerged 1 district with an annual cocoon production of more than 200,000 jin, 10 districts with an annual production of more than 100,000 jin, and 62 districts with an annual production of over 10,000 jin. The agriculture and animal husbandry bureaus of various prefectures and counties (municipalities) have established silkworm and mulberry-tree depots or silkworm and mulberry-fruit depots; individual key prefectures (municipalities) and counties have established silkworm and mulberry-tree bureaus or silkworm and mulberry-fruit bureaus.

The "Shanxi Provincial Silkworm and Mulberry Tree Research Institute" situated in Peijie, Xia County, comes under the direct leadership of the agriculture and animal husbandry division, Shanxi province; it is a center for scientific research on silkworm and mulberry trees in our province. The Institute was established in 1979 on the original foundation of the original silkworm breeding ground of Shanxi Province; it had 137 staff and workers, of whom 21 were scientific and technical personnel of the senior, medium and junior classes; they shoulder the heavy responsibilities of conducting the province's scientific research on silkworms and mulberry trees as well as producing its various kinds of mulberry trees. The institute occupies altogether 853 mu of land, of which 700 mu are for mulberry-tree planting. Beginning in 1958 the institute started to create an original species and a general species; and beginning in 1959 it started to formally produce the two grades of the original and the general species of young silkworms. For 26 years, it has more than 35,000 sheets of eggs of the original species and 95,000 sheets of the general species. These species of young silkworms, apart from meeting the needs of our own province, also supported provinces like Sichuan, Henan, and Shaanxi. The main tasks of the institute today are: selecting and nurturing species of mulberry trees that are suitable for planting in our province and the young silkworms that are suitable for raising in our province, carrying out research in preventing silkworm diseases and research in the planting techniques for rich-yield mulberry orchards, promoting new techniques for raising silkworms, and training mulberry tree and silkworm production technical personnel. Its main results include the 6 silkworm species of 703, 704, 711, 722, 741, and 742, which have already been spread to the whole province. New silkworm species to be immediately promoted are also the 4 silkworm species of Shanxi-1, Shanxi-2, Shanxi-3 and Shanxi-4.

There are in the province 800-odd silkworm and mulberry-tree technical personnel throughout the province; of these over 300 are scientific and technical personnel at the medium level and above and over 600 at the elementary level and above. The Shanxi University of Agriculture and Changzhi School of Agriculture have respectively added in 1981 and 1982 a university-level specialized class and a secondary school-level class on silkworms and mulberry trees.

In order to achieve self-sufficiency in the supply of young silkworms and meet the needs of the vast ranks of the silkworm farmers of the province, the provincial government has also allocated special funds to build 3 new cooperative young-silkworm creation plants which create 60,000 sheets of young silkworms each year; their area of construction amounts to 15,000 square meters. In the meantime, efforts have also been made to build over 30 feeding-prompting rooms in the key silkworm-raising districts and newly opened silkworm-raising counties; their area of construction amounts to 6,000-odd sq m.

The province now has over 10 silk-reeling plants at Yangcheng, Xingshui and commune-run ones; Yangcheng and Xingshui also have 2 silk-weaving mills. Of these, the Gaoping silk-weaving mill is our province's largest; it was built and put into operation in 1963 and became one of the province's key enterprises. The mill's techniques are all of the advanced level in the

country; the quality of its products is stable. In 1984, its total output value increased by 28.82 percent over that of 1983; the production of its woven silk products increased by 10 percent. It mainly produces genuine silk and brocade for export to Japan, Hong Kong, and Southeast Asia, where they enjoy a fine reputation.

The Yangcheng silk-reeling mill takes local cocoons as its raw material; the "Plum Flower" brand of products it produces has gloriously won the state's famous-brand gold award as products that can be trusted without inspection for export overseas.

9255

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SICHUAN

READJUSTMENTS IN RURAL PRODUCTION STRUCTURE DISCUSSED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese No 2, Feb 86 pp 11-14

[Article by Huang Peigen [7806 1014 2704], Zi Jingzong [4793 2417 1350] and Chen Yan [7115 7346] of the Sichuan Agriculture and Animal Husbandry Office: "On Readjusting The Structure of Rural Production in Sichuan"]

[Text] In order to distill our experiences in readjusting the structure of Sichuan's rural production over the past 2 years and gear for strategies to come, we conducted a survey in Guanglan, Renshou, and Muchuan counties to bring the situation all across Sichuan together. We offer the following initial suggestions for guiding ideology and strategies for further readjustments in 1986.

Sichuan's rural production is in the process of shifting from a unitary structure to one in which planting, cultivation, and processing are combined and in which farming, industry, commerce, construction, shipping, and services develop as an integral whole. In broad terms, there are three kinds of situations: (1) overall readjustment focused on characteristic features, with attention paid to balancing and coordinating all production sectors for major economic returns. Considerable portions of Sichuan's readjustments have been of this nature. (2) Implementation of partial readjustment in particular areas, even though inadequate attention is paid to some links and economic returns are not as high. This is the most common situation. (3) No movement toward readjustment, but adherence to the unitary agricultural structure and low earnings. This occurs in a minority of situations; and those situations where there have been reductions in income along with reductions in grain yields are even less prevalent. Thus, 1985 witnessed broad advances in readjusting the rural production structure. We have attained results and experience which will open up new avenues for us in continuing the readjustments and accelerating the pace at which we can bring affluence to the countryside.

A Guiding Ideology for Readjustment

I. Delineating a Guiding Ideology: Farming is still the nation's economic basis; and readjustments in the rural production structure are aimed at strengthening this base--not weakening it. We want to bring about a more rational structure of rural agricultural production and division of labor which gradually moves from one centered on planting to one which allows for develop-

ment of farming, forestry, animal husbandry, sidelines, and fishing across the board. We want to move farming from the central focus and integrate it completely with industry, commerce, construction, shipping, and services, and switch from a focus on production of raw materials to development of comprehensive utilization through basic and intensive processing. This is an inevitable trend and a long-term task for rural economic growth. These features have been determined by the fact that at the present time the agricultural base is unstable and imbalanced. To start off with, Sichuan is situated in the interior. Transportation is difficult and the population is large. Bold steps toward strengthening the farm base and readjusting the structure of rural production must be premised and conditioned on maintenance of stable growth in grain production. Steps taken in 1985 were larger than previous ones precisely because increases in grain yield had been stable for several years and per capita output reached 800 jin.

The critical step in 1986 readjustments is to strengthen ideology and take grain production seriously. If difficulties arise in grain production so that we fall back from providing for the basics of living and the rural economy begins to falter, this will have an impact on the pace of readjustment. On this we must be absolutely clear. First, we must not loosen our grasp on grain output. We must proceed at current levels of agricultural science and techniques to stabilize the amount of area sown in grain and devote all our efforts on improving unit yields. We must assure stable increases in grain output as a whole and promote comprehensive development of diversified operations. If we can just increase material investment, improve production conditions, and combine current agricultural S & T with traditional intensive farming, then there is great potential for improving unit yields. Second, we must optimize breakthroughs in the developing rural economy. Livestock holds second place in gross output value among the five sectors, after farming but before forestry, sidelines, and fisheries. Vigorous development of livestock and poultry production centered on hog raising has an advantage (in abundant feed resources), a foundation (in mass familiarity with animal feeding), efficiency (low investment and rapid turnover), a market (in massive social demand), and the ability to add to the income of the farming masses (over 95 percent of farm households can take part.) Third, initial production must be well-managed. The focus of affirmative development of rural industry and secondary and tertiary production should be on joint household and individual household-run operations at the village or group level, beginning with exploitation of local assets, strengthened technological transformation, and improved management standards. Fourth, if we are to regulate the crunch between supply and demand for cash crops and raw materials for local processing and avoid blind spots as we carry out our readjustments, we must test and assess new methods for integrated readjustment for the structures of both local industrial products and rural production. We must link up readjustments in mainstay local industries with those in planting, cultivation, and processing to establish a commodity-base type of industrial-agricultural system which links town to countryside and village to factory.

II. Implementation of Guidance by Sector: Farm production is highly regional in character. Proceeding from actual circumstances to implementation of guidance by sectors is objectively required by natural law and a precondition

for suiting circumstances to local conditions and developing natural strengths. The Sichuan provincial committee has put forward implementation of guidance by sector as a policy, splitting the province into such categories as the hills surrounding the basin, hillside regions, flatlands and levees, and the three zhou (minority areas). But when this policy is brought down to the prefecture, county, or village level, there should be further concrete analysis of local natural and economic conditions and accentuation of unique features which will weigh upon how the structure of rural production is to be readjusted. Renshou County is in the hill region. Grain and sideline materials are plentiful, as are grassy slopes and surface water areas (each of which amount to over 300,000 mu). The needs of its meat, poultry, egg, dairy, and fish markets are great. They made cultivation the breakthrough point for readjusting the structure of production while maintaining a grasp on grain production. Total income from production in the county in 1985 reached 111.34 million yuan--this was 22.9 percent of the total county income, up 3.96 percent. Over the year as a whole, returns were such that both grain and income were up. Looking at the county as a whole, implementation of guidance by sector in readjusting the structure of rural production can be summed up in three facts: grain production was the precondition, ecological balance was the basis, and development of natural strengths was the focus. These factors mutually assisted one another and each of the three proved irreplaceable. This was the only way to attune readjustments to natural laws and bring guidance by sector down to the actual local level.

III. Products Must Have Sales Outlets: The unique feature of commodity production is that production is geared to sales and a product which cannot be sold has no value. Sichuan has seen much growth in rural commodity production in recent years. This was especially true in 1985, when increases in the area devoted to cash crops became large. Several products of a uniquely local and venture nature were developed from small lines into wholesale production. Variety grew along with volume, and there were surpluses for some of them. There were surpluses of various amounts for jute and amberi hemp provincewide, Moyu [7621 5341] in the Wan, Da, and Peiling mountain regions, white ginger in Leshan, garlic in Chengdu, chuanzong rhizome in Guan County, and straight ladybell root in Jintang. All showed surpluses to some extent and selling difficulties. This had somewhat of an impact on farmer enthusiasm for developing commodity production. Taking white ginger from Muchuan as an example, brisk sales and rising prices brought a production jump from 2,836,000 jin in 1984 to over 6 million jin in 1985. Supply exceeded demand and the price plummeted. At the cellar price of 0.50 yuan per jin, losses throughout the county reached 3 million yuan or 15 yuan of income per capita. This demonstrates that development of natural advantages not only has an effect on all sectors, it also relates intimately to such major issues as market supply and demand and laws of pricing, and yet the basic point is still the question of whether products have sales outlets.

IV. Thriving Rural Enterprise Must Be Based Upon Self-reliance: A major issue in readjustment of the rural production structure is to promote development of farm product processing and services. This is because they absorb entry-level farm products and participate directly in the process of transforming rural products into commodities. At the same time, development of industry

sets the stage for further development of planting and cultivation. Management of the processing and service industries in these areas will both help to create a more sensible structure of rural production and also avoid any major fluctuations in farm production. Achieving this will involve such issues as money, technology, and raw materials; but the key is money. As of the end of the third quarter of 1985, the province had more than 5,900 projects in the process of development which even after investment of a portion by the masses themselves will still require 600 million yuan (of which half is for equipment loans and circulating funds.) Of these, those which are just short of completion require more than 200 million yuan. Projects in this large group are with labor, funds, and land already deployed; and if they are not taken care of soon, enthusiasm among farmers for developing township and town enterprises will suffer. If this issue is to be resolved, not only must construction priorities be clarified, comprehensive financial arrangements made, and such entrepreneurial methods as guarantees, delays, give up, transfer and release adopted, but self-reliance must become the central focus, opening up multiple channels and enlisting funds from farmers, which is a good method for overcoming the current lack of funds for township and town enterprises as well as a policy which should be maintained from now on for a long time. Practice in all localities has demonstrated that such measures as profit-sharing, concentrating capital for jointly run plants, bringing capital and materials to the workplace, and enlisting capital dispersed among farmers, along with reliance on the potential of finding capital within the enterprise or by oneself are ones which can not only greatly alleviate the crunch between the supply and demand for capital but link up such production elements as capital, technology, labor, raw materials, and equipment into an organic whole, and consequently, place rural enterprises in a less vulnerable position, allow them to achieve stability, and coordinate their development goals.

Strategies and Measures for Continuing Readjustments

The readjustment of the structure of rural production, development of commodity production, adaptation to the market and social demand, and search for the best economic return are endeavors which are broad in their implications, highly scientific in nature, and complex and onerous. Leadership must be strengthened, the whole economy brought together, and macroeconomic regulations and microeconomic revitalizations must be made. But the key is still in the adoption of appropriate strategies and measures to strengthen the production base and improve enthusiasm for planting grain, get a grasp on the various social services which go into developing rural commodity production, and improving production conditions to gradually overcome the factors leading to instability in agricultural production.

I. Upgrading Enthusiasm for Planting Grain: At the present time, there is a segment of the farm community with a tendency to be poor at grain production no matter what the production quota or the land, labor, and capital investment. This is primarily due to the discrepancy between compensation to be derived from planting grain and that from engaging in industrial and sideline industries. "Cheap grain hurts the farmer," but the price of grain is the core of and affects the price of everything. With the present pricing system still unwieldy, compensatory policies in other areas must be done before the price of

grain can be adjusted. (1) Strive to reduce burdens on the farmer. The regulation of the provincial committee that the normal farmer burden on pure income is not to exceed that of the previous year by more than 3 to 5 percent must be conscientiously implemented. All necessary assessments should be in tune with the speed of economic development. (2) All unauthorized rises in the price of production materials must be strictly controlled, and no lowering of grades or prices on farm byproducts is permitted. On items supplied in accordance with state-planned distribution, the state list price must be abided by, and no arbitrary price increases are allowed. Those items which are no longer listed are not to be sold, as these will be detrimental to the farmer's interests. (3) The fixed price for grain should be linked to economic methods. Once a farmer has fulfilled a certain number of years of procurement, he will receive 5 jin of urea for every additional 100 jin of grain. The set price for grain purchased in advance should be increased to 0.06 yuan per jin of husked rice and 0.04 yuan per jin of other grains, to be disbursed annually or quarterly. (4) Priority in farm investment loans should be on ensuring those for the development of farm production, and especially those rationally needed for grain produced for state procurement both inside and outside of planning. These should be provided for first; and cash should be disbursed in a timely fashion. (5) In areas where rural industry is rather well developed, a policy of industrial support for agriculture should be implemented, moving away from the present method in some areas of averaged subsidies based on the amount of land contracted for. This is so the amount of subsidy a particular user of the land gets will be contingent on how well the land is managed and how much commodity grain is produced for the state.

II. Managing Pre-Production, Production, and Post-Production Services:

Readjusting the structure of rural production is being done to develop commodity production. Every management activity of a commodity producer becomes a specific link and organic part of the output of society as a whole. For this reason, mobilizing and enlisting every hand to provide technical, circulation, and information services before, during, and after production is a pressing issue which must be resolved. (1) Central documents must be conscientiously implemented, gradually turning supply and sales cooperatives into comprehensive service centers, affirmatively developing joint farm-industrial-commercial operations of diverse types, supporting production, opening up sales channels, and promoting high output and brisk sales. This will bring the cooperative and the farmer into an entity with common economic interests which ties the state economy to the farm economy. (2) Join urban with rural areas, farming with commerce, and product processing with commodity production bases. Adopt such methods as urban investment in local enterprises, return of profit to the investor, and technical services which give both parties a share in profits and risks. This will ensure that demand for industrial raw materials will be met, readjustment of the structure of production will be promoted, and blind development of cash crops and local products will be reduced or avoided. (3) Improve the service systems of agricultural departments, moving vertically toward division of labor and sector and toward the gradual formation of a specialized service model, horizontally toward growth of economic integration which keeps old channels upstream open and comprehensively coordinates relationships between various services and systems, and overall toward the establishment of a crisscrossing vertical and horizontal service network. The focus of efforts

in farm information services should be on providing information concerning the commodity economy--especially on market prices and changing trends. The focus in technical farm services should be on maintaining and expanding the foundation--such traditional farming practices as intensive farming, scheduled sowing, and timely management--and then on popularizing improved hybrids, ground covers, semiarid cultivation, mixed application of fertilizers, and comprehensive control of pests and diseases. Of special note in this regard are modern agricultural science techniques for controlling seasonal rice diseases and vigorous improvement of unit-area yields. The focus in farm management services should be on improving the output-related responsibility system which links the parts of the countryside to the whole, fortifying and developing the co-operative economy, and assisting farmer--especially the specialized households and joint economic entities--to gain control over management strategies, plan for production, sign economic contracts, improve operational management, and upgrade economic returns. (4) Administrative and public works departments should not be looking to make a profit in providing economic and technical services to farmers. These should be free or low in cost. It is even less permissible to compel farmers to accept such services. The primary-level village service organizations run by and for the farmers under the leadership of county agricultural departments are collective units modeled for operational services, specialization of their work force, and diversified methods of assignment so that they provide effective and low-cost services, the income of which is utilized for wages and for reinvestment.

III. Improve Production Conditions: This is the ground-level task for exploiting the internal potential of agriculture and ensuring farm production. It is both a major current task and the backing for continued increases in production. Sichuan is half paddy and half field. It has a high proportion of mountainous regions and a multitude of terraced and sloping tilled fields. Starting from these features, we should stress the following points:

1. Protect farmland, aggressively transform it, and use it sensibly. We must conscientiously implement the national policy of "cherishing and sensibly using every inch of farmland." All levels of land management departments must realistically investigate and deal with the issue of unauthorized occupation of farmland. They must strictly certify land, investigate and approve land rights, and bring legislative and economic methods together. Reforestation of farmland in mountainous areas must proceed from current levels of grain yield and carried out in a planned way by stages to guard against having to go in the other direction later on. Affirmative efforts must be made in hilly regions to see that development of such economic forests as orchards, mulberry, tung, and quan uses nonfarm lands and as little farm land as possible. Good farmland especially must not be used. Development of pisciculture should use existing waters as much as possible; and paddies must not be abandoned for such purposes. The focus in land construction should be on transformation of cold-weather and low-temperature paddies with assured water supplies, transformation of thin-soil slopes, and prevention of water and soil erosion. Rational land use should be mainly on dissemination of experience in reclamation of arid land to gradually expand the area of "arid three maturations," planting grains serially with other grains, with economic crops, and with fertilizers, upgrading the comprehensive returns on tilled land.

2. We must stress both water conservancy and improved irrigation returns, on the one hand, and flood and waterlogging controls, on the other. Restoration of projects destroyed by man or floods should be a priority. At the same time we must take care of dredging, renovating, and repairing ponds, reservoirs, and channels, large and small, along with water storage and preservation on large areas of fields inundated during the winter. This will assure that the full complement of fields is planted and sown in 1986. Therefore, plans should be centralized and forces enlisted so that labor, tools, and materials needed are sent out on schedule. The water management and utilization responsibility systems should be investigated and strengthened to increase water reserves and expand the area under irrigation.

3. Basic construction development on agricultural fields should be linked up with treeplanting and reforestation for comprehensive control. There should be conscientious management of field construction in concert with planting of trees and grasses and land and soil preservation to preserve balance in ecological relations.

4. Investment in basic construction on agricultural fields should increase. State support in this area has been greatly reduced in recent years, which has not been very beneficial to expansion of this work. Capital accumulation and labor investment by the peasants should be accompanied by increased investment in basic construction on agricultural fields which relies on state and local finances as appropriate.

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SICHUAN

FIRST YEAR READJUSTMENT OF PRODUCTION RESULTS VIEWED

Rural Development, Income Increases

Beijing NONGMIN RIBAO in Chinese 13 Dec 85 p 1

[Article by Zhang Shaoguang [1728 4801 0342] and Wu Xiulong [0702 4423 7893]
"First Year of the Readjustment of Production Structure; Slight Reduction
in Grain Production, Historically Unprecedented High Level of Cash-Crop
Production, Continual Development of Animal Husbandry and Township and Town
Enterprises"]

[Text] During the first year of the readjustment of rural production structure in Sichuan Province, although there have been slight decreases in total grain production, nevertheless, production of most cash crops have reached unprecedented levels that are the highest in history. Production of rapeseed, jute, and ambari hemp, peanuts, oranges, and tangerines has increased from 1984 to 1985 at increases of 12.1 to 82.2 percent. The development in animal husbandry and township and town enterprises has also continued. The increase in rural income per capita that has resulted from the readjustment of the production structure is 25 yuan.

Sichuan Province has followed both the natural and economic conditions in its flatlands, hilly regions, and mountainous areas. In the emphasis on the regional aspect in its readjustment of production structure, the economy here has naturally progressed at a fast pace to commodity production. The economic level is generally higher in the flatlands. This is largely because in these areas, there is generally balanced coordination among the departments of the various agricultural industries and also in regard to production items. As a result, there has been full-scale development in agricultural crops, animal husbandry, and other industries. For example, Guang'an County which lies within the irrigated area of Dujiang, because of the reduction in its planted acreage during 1985, its total grain production in 1985 dropped by more than 20 million jin from 1984; nevertheless, the average grain supply per capita has been maintained at 1,100 jin. Because of the development of cash crops, the output value of the planting industry has increased by 6.24 million yuan, or 4.9 percent; the increase in animal husbandry production is more than 18 million yuan, or 33 percent; increase in production of township and town enterprises is more than 87 million yuan, or 46.7 percent. The ratio between industry and agriculture in the rural areas has increased from 42.3:57.7 in 1984 to 48.3:51.7 in 1985. Rural industries have, therefore, risen to the

14 July 1986

second and third levels in the labor force, and the total rural labor force thereby employed has also risen from 30.4 percent in 1984 to 43.5 percent. Renshou County is located in a hilly region. Its grains are planted on hilly slopes by extensive stretches of water. In their grain-growing operation, they have also used animal husbandry as a breakthrough in the readjustment of the production structure. As a result, total grain production has increased by more than 30 million yuan, the average increase per capita being 17.7 yuan. During 1985, 800,000 pigs were slaughtered, an increase of 150,000 from 1984. A new breed of long-haired rabbits has been developed and now they number 30,000. In fresh-water aquaculture, the number of fish has also increased from 5 million in 1984 to 7 million in 1985. In addition, there has also been development in other small domestic animals and fowl. In Sichuan Province, during 1985, total income from animal husbandry reached 22.9 percent of the total income in agriculture, an increase of 3.96 percent.

Muchuan County, which is located in a mountainous area, has properly carried out the economic policy for its terrain. The land in the mountainous area that was not suitable for growing grains has been returned to forestry development. As a result, such resources as those found naturally in the mountainous area have been fully utilized. The timber (also bamboo) industry, papermaking, mining, building material, and special native products industries have all been actively developed. In Yongfu Village, 2,000 mu of formerly planted land has been returned to forestry during 1985, representing 50 percent of the total returned acreage since 1979. There they have also actively developed their assets in timber and bamboo and papermaking. Now, in the village, 51 percent of all agricultural households are engaged in papermaking. In addition, the 27 percent of the entire labor force is engaged in construction and per capita income during 1985 was 338 yuan, an increase of 52.4 yuan from 1984. Because of the development in the mountainous region during 1985, the rural income per capita averaged 321.4 yuan, an increase of 37.6 yuan from 1984; and net income per capita is 221 yuan, an increase of 24.5 yuan from 1984.

Commentary on Rural Structural Readjustment

Beijing NONGMIN RIBAO in Chinese 13 Dec 85 p 1

[Commentary: "Necessity of Persisting in Readjustment of Rural Production Structure"]

[Text] Readjustment in the rural production structure must continue to be carried out with persistence. The result of its implementation after a year in Sichuan Province has been obviously effective. Apart from the slight drop in grain production (due to a number of factors), the production of all the main cash crops have reached historically unprecedented high levels. In addition, both animal husbandry and township and town enterprises have all continued to develop, and the increase in rural income per capita is 25 yuan. Such factual results clearly prove that the direction undertaken for the readjustment of the rural production structure is clearly correct. Its implementation has led to the breakthrough in the natural economy. As a result, the rural economy has begun to adopt important reforms related to professionalism, commodity production, and modernization. Therefore, we

should not question the direction of the rural production structure readjustment just because we have not achieved perfect results this year.

The main goal of the rural production structure readjustment is to use agriculture as the foundation and to develop a complementary structural model in which many different types of production will be carried out in mutual coordination. As a result of the cooperation among the essential factors of natural and capital resources, labor force and technology, economic, ecological, and social benefits will follow, achieving a subsequently positive cycle in the rural economy. However, this is an enormous and also extremely complex responsibility with historical implications. The task should continue to be explored, implemented, and made better, developing from the lowest level upward. To wish for immediate success is neither realistic nor possible. We should, therefore, persist and have courage in its implementation, progressing steadily according to plan, thereby avoiding any significant pitfalls.

When some comrades heard about change in only grain production, they carried out diversification and reduced the grain acreage. In doing this, they did not consider either the effect on the economy, the ecology, or society, or the issues of need and feasibility. Thus, they created new structural pitfalls and affected adversely the progress of readjustment. Let us hope that these comrades will change their attitude that is based on their subjective view, and instead think in terms of what is practically possible. Three points should be considered in the rural structural production readjustment. 1) To begin from the factual, according to the local conditions; to develop natural assets and avoid shortcomings; to carry out plans according to natural economic rhythms. 2) To consider the issues of need and the possibility of fulfillment at the same time in implementation, without rushing. 3) To attempt to survive independently, relying on outside help only as supplementary assistance. To carry out the readjustment on these principles and according to the plan is then to be able to grasp the motivating force in achieving continual success.

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14 July 1986

SICHUAN

TOBACCO HARVEST BREAKS RECORDS

Beijing NONGMIN RIBAO in Chinese 14 Dec 85 p 1

[Article by Chen Tao [7115 3447]: "Abundant Tobacco Harvest"]

[Text] The entire tobacco harvest (flue-cured tobacco, burley tobacco, and sun-dried tobacco) in Sichuan during 1985 was bountiful. By the end of October, the total purchased amount of flue-cured tobacco in the whole province had already broken the barrier of 1 million dan, a level that is the highest historically.

During 1985, the main tobacco production areas have properly implemented the guidance which the provincial committee has formulated as part of the readjustment of the mountainous rural production structure in stimulating the economy of the poorer regions. As a result, the situation in the production of tobacco has been positively readjusted according to the principle of suitable concentration. Important focuses for the development of tobacco have been designated in the areas of Jinsha Jiang near Liang Shan, the hills above the Yibin basin, the Chuanxiang Highway in Peiling. The production of high-grade tobacco grown in Liang Shan, Yibin, and Peiling has been greatly developed during 1985. In addition, the harvest of flue-cured tobacco has also increased and the total purchased quantity of tobacco in the whole province has fulfilled the projected amount. The harvest of burley tobacco has also fulfilled the projected plan, and in addition, the purchased amount of flue-cured tobacco has risen from 1984.

In the development of tobacco production, the 48 counties that grow tobacco in the province have actively promoted the model concerning growth and technology, thereby advancing both the quantity and quality of tobacco. The harvest of tobacco of middle and high grades in such areas as Liang Shan and Peiling reached more than 70 percent. The harvest of middle and high grade tobacco in the entire province has also risen from 43 percent in 1983 to more than 65 percent in 1985.

12740/9869

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SICHUAN

GOOD BEEF, LAMB SALES MAINTAINED

Chengdu SICHUAN RIBAO in Chinese 6 Dec 85 p 2

[Article by Shen Shixin [3476 2514 0207]: "Beef, Lamb Sales Reported"]

[Text] During 1985, Sichuan Province has maintained a relatively good situation in the sales of beef and lamb. In the first three seasons of the year, the commercial food department purchased 104,000 head of beef cattle, 73,800 head were then sold; 43,200 head of lamb were purchased and 29,300 head were sold. Altogether 4,300 tons of beef and mutton were sent out of the province. It has been estimated that during the four seasons in 1985, more than 80,000 head of beef cattle and 150,000 head of mutton lamb would be purchased, and 9,200 tons of beef and mutton would be sent out of the province. During 1985, cattle and lamb purchases were at the same level as 1984, while sales increased over 1984.

Following reform of the circulating structure, some new aspects have arisen in the management of cattle and lambs in Sichuan Province during 1985: 1) A change in buyers without a change in the quantity of sales. During the past years, it had been the practice for Beijing and Shanghai to purchase large quantities of the important items, which were also asked for by other regions in quantities larger than they were getting. The situation was, therefore, more buyers, more separate carts, and smaller quantities for display. 2) The recent request has been for greater variety and higher quality. Beijing wishes to have packaged products and smaller packages of beef and mutton. Shanghai and Guangdong would like to bring in live beef cattle. 3) Greater flexibility and different types of management, for example, the contract signed between Chongqing and Shanghai in acting as agent in the sale of beef. 4) The popularity of mutton; with insufficient supply throughout the country during 1985; its price has gone up.

12740/9869

CSO: 4007/193

14 July 1986

SICHUAN

BRIEFS

NEW RURAL TOWNS IN SICHUAN--Chengdu, 13 Jun (XINHUA)--New towns are rising rapidly in the countryside of Sichuan Province, southwest China, a local official said today. Over the past 2 years, some 200 towns have sprung up, bringing the total to 5,600. The towns are located at places with traffic facilities. They serve as a bond between city and countryside, through which farm produce is transported to the big cities and manufactured goods brought from the cities to the countryside. Datang, on the Sichuan-Tibet highway in Pujiang County, was previously a market. Now it has become an economic and commercial center of four counties, and a link between these counties and the provincial capital of Chengdu. Changsheng town in Baxian County on the outskirts of Chongqing boasts 14 factories, shops, hotels, a bank, a cinema and a stadium along a 2,000-meter street. More than 1,200 peasant households have opened shops there. China is developing towns to accommodate the surplus rural labor force. In Sichuan, 400,000 peasants are now working in factories or engaging in trade and other service work in the newly-built towns. [Text] [Beijing XINHUA in English 0617 GMT 13 Jun 86] /9604

FOOD INDUSTRY--Last year, the output value of the food industry in Sichuan was 9 billion yuan, an increase of 15.2 percent over 1984. The output value of the food industry in 19 counties (cities) exceeded 100 million yuan, which accounted for more than one-half the gross agricultural output value of those counties (cities). [Excerpts] [Chengdu SICHUAN RIBAO in Chinese 24 Apr 86 p 1]

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XINJIANG

BRIEFS

COTTON EXPORTS INCREASE--Cotton exports from the Xinjiang Uygur Autonomous Region in Northwest China last year were almost five times that of 1982. The region became the country's third largest exporter of cotton after it sold more than 20,000 tons to 11 countries and regions in 1985. Cotton accounted for about half of the value of total exports in the region, according to a regional meeting on cotton processing early this month. [Excerpt] [Beijing XINHUA in English 1407 GMT 17 Jun 86] /9604

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ZHEJIANG

AQUATIC PRODUCTION INCREASES DESCRIBED

Hangzhou ZHEJIANG RIBAO in Chinese 4 Feb 86 p 1

[Article by Gan Guorong [1626 0948 2837]: "Joyous Abundance of Fish; Zhejiang Becomes Second Province in China Whose Annual Output of Aquatic Products Exceeds 2 Billion Jin, 50 Jin of Fish Per Capita, 'Difficulty in Getting Fish' Alleviated"]

[Excerpt] Once a Rarity on the Table Now Everyday Fare

Statistics from the provincial Aquatic Production Bureau show that last year the per capita amount of fish in Zhejiang was 50 jin, 7.5 jin more than 1980. Following Guangdong's lead in relaxing the policy on purchase and sale of aquatic products, which enabled the annual output of aquatic products to surpass 2 billion jin, Zhejiang has become the second province in China whose annual output of aquatic products exceeds 2 billion jin.

It is early morning, and I am following the people streaming into the agricultural trade market at Fishsellers Bridge in Hangzhou. At the more than 200 aquatic products stands we find grass carp, bream, silver carp, carp, and other freshwater fish, and seafood, such as yellow croaker, hairtail, razor clam, and blood clam; customers weave their way through the market filled with fish. I went from one to another to ask the price; the grass carp seller said, 1.80 yuan per jin; the silver carp seller said, .90 yuan per jin; the razor clam seller said, .40 yuan per jin. "Last year at this time, grass carp was selling here for up to 3 yuan per jin, and silver carp was 1.60 yuan." The comrade from the market management office told me: "Starting in the second half of last year, there has been a steady supply of fish here, and on the average 10,000 jin of fish are sold every day. We estimate that before and after the New Year, the price of fish will keep going down." Since the deregulation of fish prices, there have been obvious changes in the Hangzhou aquatic products market: "dead fish" used to account for 80 percent of what city-dwellers ate, but now "live fish" account for 90 percent of the consumption; fresh fish jump their way into thousands of households.

Mountains, Ocean Coasts, Rice Fields--Everywhere, Fish Are Jumping and People Are Rejoicing

How can there be so many of these fish all of a sudden? I paid a visit to fishing areas. The most frequent topic of conversation here is last

year's Document No 1 of the CPC Central Committee. In the principal producer of freshwater fish, Huzhou City, peasants said: "Document No 1 cut off the ropes that had been binding our hands and feet." Fish production here last year was 93 million jin, a doubling in 4 years.

Making use of the favorable situation created by Document No 1, fish, which throughout history have made their home in ponds and rivers, are starting to climb high mountains and swim into rice fields, opening up new residence areas." In the past, peasants living in mountainous areas would set out a dish of "wooden fish" for the new year, signifying that there will be "good fortune in abundance; since then, even though there was a real fish in the bowl, scarcity makes things valuable, and no guest would take a piece in his chopsticks, so that one bowl of fish would often be eaten from the first day of the first lunar month until the evening of the 15th day. This time I went to a mountainous area in northern Zhejiang, where I saw that every peasant family there had dug small pits in front of and behind their houses, into which mountain spring water was diverted to raise fish. Last year, fish were bred in 370,000 mu of rice fields in Zhejiang, and a total of 5.5 million jin of fresh fish were harvested.

Last year was right at the beginning of the restructuring of rural production. High fish prices stimulated the production initiative of peasants, who streamed off bearing their hoes to open up barren beaches, coastline, and low-lying fields, where they developed aquatic production and added 100,000 mu in the entire province. Over the years, only "wild fish" were sold in Anji, this county of low mountains and hills. Last year, the agricultural trade market for the first time was piled up with fish raised in the peasants' own ponds. Men and women, old and young, from the 72 villages along the coast in Sanmen have all gone to the shore and within a few months they have developed 36,000 mu of shore; last year the output of shore breeding was 31 million jin from more than 50,000 mu of breeding area, 57- and 12-fold increases, respectively, over 1980; the output from aquatic breeding greatly surpassed the amount of seafood that was caught.

In these years, Zhejiang's aquatic breeding output increased annually at the average rate of 20 percent; last year the breeding output was 500 million jin, one-quarter of all aquatic production, and more than twice that of 1980; the breeding area also increased 600,000 mu over 1980.

Water Area Same as in the Past, But Output Can No Longer Be Compared with the Past.

The area of inland ponds within Zhejiang accounts for only 13 percent of the total freshwater area; due to the many people and little land in Zhejiang, it is impossible to dig up fields to raise fish. Therefore, improving the unit fish yield of inland ponds has become a major target in fishing areas. I came to the provincial Freshwater Aquatic Production Research Institute, along the banks of the Grand Canal, where Vice Director Shen Renchun [3088 0088 3196] explained their close cooperation with peasants of Linghu in researching a set of high-yield techniques for inland ponds. This set of techniques includes: released breeding model, bait

nutrition, pond reconstruction, management techniques, and complete sets of machinery. It is precisely this set of high-yield techniques which last year raised the average per-mu output on inland ponds in Linghu 200 jin above that of 1984, reaching 1,200 jin. But in the 1970's, the people of Linghu spent all of 10 years and the average per-mu yield was only raised by 100 jin. This set of high-yield techniques is being widely used; last year Zhejiang had more than 52,000 mu of high-yield ponds similar to Linghu, of which there were 1,500 mu where the average per-mu yield was 2,000 jin.

At the same time that the research into high-yield technology for freshwater fish is making breakthroughs, Zhejiang's coastal aquatic breeding is also growing rapidly due to the resolution of a series of technical problems. These include some successes in breeding fry and fingerlings, which deserve first honors. The experimental success in "enclosing the pond to stop the fry" of razor clams changed the previous poor quality and low output of Zhejiang's razor clam fry, enabling the output of razor clams to pass 100 million jin for the first time. The Wenzhou branch of the provincial Aquatic Production Research Institute has successfully bred Japanese true oyster fry in the Qing Liang in Leqing County; every cubic meter of water can produce 50,000 to 80,000 individual fry, up to a maximum of more than 100,000. This provides a source of fry for the large-scale breeding of oysters.

There have also been breakthroughs in the development and use of large bodies of water. The 2.63 million mu of outer marshes, rivers, and reservoirs in Zhejiang account for 76 percent of the total water area. Most of this however, is semibarren, and the output accounts for only 14 percent of total freshwater fish production. Zhejiang's SIT personnel have taken the lead in cultivating and broadcasting seed on this "unexploited virgin land." On the Fuchun Jiang, scientists and technicians from the Hangzhou City Aquatic Production Research Institute have met success in using net-cages to breed high-quality freshwater fish, with per-mu yields of fresh fish exceeding 10,000 jin. In Sanbaitan in Yuhang County, people have experimented with raising fish intensively in fenced enclosures and in sets of net-cages; 200 mu produced 220,000 jin of fish, twice what it was before use of intensive breeding. On the day I went to Sanbaitan, I just happened to find them catching the fish. Old He [0149], the deputy head of the fish farm, gazed at the jumping fish in the nets and said to me with great delight: "In the past we only practiced extensive fish farming, so we didn't put out fingerlings nor did we throw in bait; we just let them live and die on their own. Last year we set out 700,000 weizaikou [1442 0098 1656] fingerlings, practiced mixed breeding of many varieties, increased the breeding density, and improved the water surface use rate."

"The state has canceled centralized assignment of purchases, deregulated the price of fish, and accelerated the growth of Zhejiang's aquatic production," said Bi Dingbang [3968 1353 6721], the vice director of the provincial Aquatic Production Office. He stated: "The aquatic production system in Zhejiang is correcting the ideology guiding the profession and

changing our province's fisheries production structure, which used to stress only catching fish; aquatic production and breeding have grown very rapidly." He also felt that Zhejiang till now still has not used well three-quarters of its freshwater area. If fish production on every mu of this water area could be increased by 10 jin, there is great hope that by 1990 the output from breeding could again double.

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